
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
 - K.2 Location Map
 - 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
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- Tab R: Documentation of Operating Budget and Utility Allowances
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- Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population
- 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: 2/9/2021

1. Development Name: Atlantis Apartments

2. Address (line 1): 999 Atlantis Drive
 Address (line 2):
 City: Virginia Beach State: VA Zip: 23451

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 Virginia Beach 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: 442.00

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%
<u>FALSE</u>	<u>FALSE</u>	<u>FALSE</u>

Enter only Numeric Values below:

13. Congressional District: 2
- Planning District: 23
- State Senate District: 8
- State House District: 81

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

The project comprises of the acquisition, rehabilitation, and equipping of a 208 unit, 11.897 acre affordable multifamily residential rental property comprised of 19 two-story walk up apartment buildings and 1 community building. The project has an in place HUD HAP contract which will be renewed for 20 years commencing at closing.

VHDA TRACKING NUMBER

[Redacted tracking number]

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 2/9/2021

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: Bobby Dyer
 Chief Executive Officer's Title: Mayor Phone: (757)385-4303
 Street Address: 2401 Courthouse Drive
 City: Virginia Beach State: VA Zip: 23451

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

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

Chief Executive Officer's Name: [Redacted]
 Chief Executive Officer's Title: [Redacted] Phone: [Redacted]
 Street Address: [Redacted]
 City: [Redacted] State: [Redacted] Zip: [Redacted]

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

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: 0.00%

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 an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

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: Atlantis Preservation LP

Developer Name: Atlantis Developer LLC

Contact: M/M Mr. First: John MI: Last: Tatum

Address: 250 W. 55th Street, 35th Floor

City: New York St. NY Zip: 10019

Phone: (212) 798-4081 Ext. Fax:

Email address: John.Tatum@fairstead.com

Federal I.D. No. 85-3949951 (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.
Estelle Chan, estelle.chan@fairstead.com, (212)798-4063

- 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.

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
<u>Stuart Feldman</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>51.277%</u>
<u>Jeffrey Goldberg</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>28.257%</u>
<u>William Blodgett</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>9.713%</u>
<u>John Tatum</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>5.250%</u>
<u>Andrew Goldberg</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>2.752%</u>
<u>Stephen Siegel</u>	<u>(212) 798-4081</u>	<u>Limited Partnership</u>	<u>2.752%</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 Vriginia 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: 7/8/2021

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**

FALSE There 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. FALSE Owner already controls site by either deed or long-term lease.
- b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 7/8/2021 .
- c. FALSE There 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: CP Atlantic, L.P.

Address: 2 Cooper Street, 14th Street

City: Camden St.: NJ Zip: 08102

Contact Person: James Miller Phone: (856) 797-8429

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

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>
N/A			100.00%
			0.00%
			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: | <u>Douglas Sbertoli</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600</u> | | |
| Email: | <u>dsbertoli@williamsmullen.com</u> | Phone: | <u>(804) 420-6450</u> |
| | | | |
| 2. Tax Accountant: | <u>Greg Wasiak</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Dauby O'Conner & Zaleski</u> | | |
| Address: | <u>501 Congressional Blvd., Suite 300, Carmek, IN 46032</u> | | |
| Email: | <u>gwasiak@doz.net</u> | Phone: | <u>(317) 848-5700</u> |
| | | | |
| 3. Consultant: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |
| | | | |
| 4. Management Entity: | <u>Shah Alam</u> | This is a Related Entity. | <u>TRUE</u> |
| Firm Name: | <u>Fairstead Management LLC</u> | | |
| Address: | <u>250 W. 55th Street, 35th Floor, New York, NY 10019</u> | | |
| Email: | <u>shah.alam@fairstead.com</u> | Phone: | <u>(646) 973-5539</u> |
| | | | |
| 5. Contractor: | <u>TBC</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | | |
| Address: | <u></u> | | |
| Email: | <u>TBC</u> | Phone: | <u></u> |
| | | | |
| 6. Architect: | <u>Magda Westerhout</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Moseley Architects</u> | | |
| Address: | <u>780 Lynnhaven Parkway, Suite 200, Virginia Beach, VA 23451</u> | | |
| Email: | <u>mwesterhout@moseleyarchitects.com</u> | Phone: | <u>(667) 218-6744</u> |
| | | | |
| 7. Real Estate Attorney: | <u>Alyssa Carducci Dangler</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>999 Waterside Drive, Suite 1700, Norfolk, VA 23451</u> | | |
| Email: | <u>adangler@williamsmullen.com</u> | Phone: | <u>(757) 629-0631</u> |
| | | | |
| 8. Mortgage Banker: | <u>Justin X. Shackelford</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Wells Fargo Multifamily Capital</u> | | |
| Address: | <u>150 East 42nd Street, 36th Floor, New York NY 10017</u> | | |
| Email: | <u>justin.shackelford@wellsfargo.com</u> | Phone: | <u>(301) 356-8366</u> |
| | | | |
| 9. Other: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |

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? **2005**

- 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..... **TRUE**

- 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)..... **FALSE**

- 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.
FALSE 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.
FALSE e. Not be affiliated with or controlled by a for-profit organization.
FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
FALSE 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..... FALSE (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..... FALSE

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: [Yellow box]

Name: N/A (Please fit NP name within available space)

Contact Person: [Yellow box]

Street Address: [Yellow box]

City: [Yellow box] State: [Yellow box] Zip: [Yellow box]

Phone: [Yellow box] Extension: [Yellow box] Contact Email: [Yellow box]

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

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

A. FALSE 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:

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

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.

Do not select if extended compliance is selected on Request Info Tab

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	208	bedrooms	488
Total number of rental units in development	208	bedrooms	488
Number of low-income rental units	208	bedrooms	488
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:.....	208	bedrooms	488
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.....			213,263.00 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			0.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			1,750.00
g. Total Usable Residential Heated Area.....			211,513.00 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	11.898		
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.....			FALSE

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	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	649.00	SF	20	20
2BR Garden	849.00	SF	96	96
3BR Garden	1065.00	SF	92	92
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
			208	208

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)..... 19
- b. Age of Structure:..... 50 years
- c. Number of stories:..... 2
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: Daycare
- 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>TRUE</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). FALSE
 If true, # of Elevators. 0
 Elevator Type (if known) _____

i. Roof Type ▶ Pitched
 j. Construction Type ▶ Frame
 k. Primary Exterior Finish ▶ Brick

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Large community room, common laundry room, new fitness center, 2 play

m. Number of Proposed Parking Spaces..... 317
 Parking is shared with another entity FALSE

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. FALSE

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	2.31%
Project Wide Capture Rate - Market Units	1.44%
Project Wide Capture Rate - All Units	3.04%
Project Wide Absorption Period (Months)	1

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.
- 65.00%** 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.
- TRUE** 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
- FALSE** 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
- TRUE** j. Full bath fans are equipped with a humidistat.
- TRUE** k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE** l. Cooking surfaces are equipped with fire suppression features.
- 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.
- TRUE** o. All interior doors within units are solid core.
- TRUE** 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

J. ENHANCEMENTS

from face of building and a minimum size of 30 square feet.

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

- FALSE** a. All cooking ranges have front controls.
- FALSE** b. Bathrooms have an independent or supplemental heat source.
- FALSE** 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:

- | | |
|---|---|
| FALSE Earthcraft Gold or higher certification | FALSE National Green Building Standard (NGBS) certification of Silver or higher. |
| FALSE U.S. Green Building Council LEED certification | 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.)

- | | |
|--|--------------------------------------|
| FALSE Zero Energy Ready Home Requirements | 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.
- 0** b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:

0% of Total Rental Units

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

If not, please explain:

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	78	107	142	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	\$78	\$107	\$142	\$0

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

- a. TRUE 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**)

FALSE

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)

TRUE

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.

TAL 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:

- FALSE 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..... TRUE
(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: N/A
 Last Name: N/A
 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

<u>FALSE</u>	Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.
<u>FALSE</u>	Section 8 New Construction Substantial Rehabilitation
<u>FALSE</u>	Section 8 Moderate Rehabilitation
<u>FALSE</u>	Section 8 Certificates
<u>TRUE</u>	Section 8 Project Based Assistance
<u>FALSE</u>	RD 515 Rental Assistance
<u>FALSE</u>	Section 8 Vouchers *Administering Organization: <u> </u>
<u>FALSE</u>	State Assistance *Administering Organization: <u> </u>
<u>FALSE</u>	Other: <u> </u>

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:

206

How many years in rental assistance contract?

20.00

Expiration date of contract:

5/15/2041

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:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
82	39.42%	50% Area Median	41.00%
126	60.58%	60% Area Median	75.60%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
208	100.00%	Total	56.06%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
10	4.81%	40% Area Median	40.0%
77	37.02%	50% Area Median	38.50%
121	58.17%	60% Area Median	72.60%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
208	100.00%	Total	55.34%

- 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.

TAL 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	1 BR - 1 Bath	60% AMI	9	1	649.00	\$1,425.00	\$12,825
Mix 2	2 BR - 1 Bath	60% AMI	55	7	849.00	\$1,510.00	\$83,050
Mix 3	3 BR - 1.5 Bath	60% AMI	55	7	1065.00	\$1,875.00	\$103,125
Mix 4	2 BR - 1 Bath	60% AMI	2		849.00	\$0.00	\$0
Mix 5	1 BR - 1 Bath	50% AMI	7		649.00	\$1,425.00	\$9,975
Mix 6	2 BR - 1 Bath	50% AMI	35		849.00	\$1,510.00	\$52,850
Mix 7	3 BR - 1.5 Bath	50% AMI	35		1065.00	\$1,875.00	\$65,625
Mix 8	1 BR - 1 Bath	40% AMI	4		649.00	\$1,425.00	\$5,700
Mix 9	2 BR - 1 Bath	40% AMI	4		849.00	\$1,510.00	\$6,040
Mix 10	3 BR - 1 Bath	40% AMI	2		1065.00	\$1,875.00	\$3,750
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
Mix 36								\$0
Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
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Mix 46								\$0
Mix 47								\$0
Mix 48								\$0
Mix 49								\$0
Mix 50								\$0
Mix 51								\$0
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Mix 53								\$0
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Mix 56								\$0
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Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
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
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
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			208	15			\$342,940

Total Units	208	Net Rentable SF:	TC Units	192,464.00
			MKT Units	0.00
			Total NR SF:	192,464.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$2,000
2. Office Salaries			\$60,000
3. Office Supplies			\$45,000
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$137,280
	3.51% of EGI	\$660.00	Per Unit
6. Manager Salaries			\$70,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$8,000
9. Auditing			\$8,700
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$7,280
13. Miscellaneous Administrative			\$97,720
Total Administrative			\$435,980

Utilities

14. Fuel Oil			\$0
15. Electricity			\$19,990
16. Water			\$77,736
17. Gas			\$0
18. Sewer			\$222,754
Total Utility			\$320,480

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$0
23. Trash Removal			\$37,004
24. Security Payroll/Contract			\$85,000
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$150,000
29. Repairs/Material			\$85,000
30. Repairs Contract			\$70,000
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$7,500
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$5,500
Totals Operating & Maintenance			\$440,004

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$249,288
39. Payroll Taxes	\$28,000
40. Miscellaneous Taxes/Licenses/Permits	\$10,000
41. Property & Liability Insurance	\$114,400
42. Fidelity Bond	\$0
43. Workman's Compensation	\$5,000
44. Health Insurance & Employee Benefits	\$48,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$454,688

Total Operating Expense	\$1,651,152
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Total Operating Expenses Per Unit	\$7,938	C. Total Operating Expenses as % of EGI	42.18%
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Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$62,400
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Total Expenses	\$1,713,552
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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	November 10 2020	Estelle Chan
b. Site Acquisition	May 13 2021	Estelle Chan
c. Zoning Approval	N/A	
d. Site Plan Approval	N/A	
2. Financing		
a. Construction Loan		
i. Loan Application	February 5 2021	Estelle Chan
ii. Conditional Commitment		
iii. Firm Commitment	May 1 2021	Estelle Chan
b. Permanent Loan - First Lien		
i. Loan Application	February 5 2021	Estelle Chan
ii. Conditional Commitment		
iii. Firm Commitment	May 1 2021	Estelle Chan
c. Permanent Loan-Second Lien		
i. Loan Application	N/A	
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List	N/A	
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	November 18 2020	Estelle Chan
3. IRS Approval of Nonprofit Status	N/A	
4. Closing and Transfer of Property to Owner	May 13 2021	Estelle Chan
5. Plans and Specifications, Working Drawings	January 22 2021	Estelle Chan
6. Building Permit Issued by Local Government	May 1 2021	Estelle Chan
7. Start Construction	June 14 2021	Estelle Chan
8. Begin Lease-up	N/A	
9. Complete Construction	August 13 2022	Estelle Chan
10. Complete Lease-Up	N/A	
11. Credit Placed in Service Date	December 31 2022	Estelle Chan

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)	12,252,701	0	12,252,701	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	12,252,701	0	12,252,701	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	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	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
Total Land Improvements	0	0	0	0
Total Structure and Land	12,252,701	0	12,252,701	0
q. General Requirements	697,632	0	697,632	0
r. Builder's Overhead (1.9% Contract)	232,544	0	232,544	0
s. Builder's Profit (5.7% Contract)	697,632	0	697,632	0
t. Bonds	183,145	0	183,145	0
u. Building Permits	0	0	0	0
v. Special Construction	3,634,000	0	3,634,000	0
w. Special Equipment	0	0	0	0
x. Other 1: <u>Hard Cost Contingency</u>	700,000	0	700,000	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$18,397,654	\$0	\$18,397,654	\$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	91,573	0	91,573	0
b. Architecture/Engineering Design Fee \$1,346 /Unit)	280,000	0	280,000	0
c. Architecture Supervision Fee \$481 /Unit)	100,000	0	100,000	0
d. Tap Fees	0	0	0	0
e. Environmental	70,000	0	70,000	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	30,000	0	30,000	0
h. Appraisal	20,000	0	20,000	0
i. Market Study	20,000	0	20,000	0
j. Site Engineering / Survey	40,000	0	40,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	270,000	0	270,000	0
m. Construction Loan Origination Fee	280,500	0	0	0
n. Construction Interest (3.4% for 14 months)	557,000	0	557,000	0
o. Taxes During Construction	124,600	0	124,600	0
p. Insurance During Construction	57,200	0	57,200	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	33,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	10,000	0	10,000	0
u. Accounting	0	0	0	0
v. Title and Recording	410,500	0	312,892	0
w. Legal Fees for Closing	445,000	0	185,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	155,399			
z. Tenant Relocation	850,000	0	562,970	0
aa. Fixtures, Furnitures and Equipment	200,000	0	200,000	0
ab. Organization Costs	5,000	0	0	0
ac. Operating Reserve	1,660,816	0	0	0
ad. Contingency	365,030	0	365,030	0
ae. Security	100,000	0	100,000	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: PCNA	20,000	0	20,000	0
(2) Other* specify: Lender Inspection Fees	21,000	0	21,000	0
(3) Other* specify: Travel	40,000	0	0	0
(4) Other* specify: Issuer Application Fees	5,000	0	0	0
(5) Other* specify: Issuer Origination Fees	214,500	0	0	0
(6) Other* specify: Trustee Fees	6,000	0	0	0
(7) Other* specify: Insurance Escrow	57,200	0	0	0
(8) Other* specify: Tax Escrow	124,644	0	0	0
(9) Other* specify: Replacement Reserve Depo	138,184	0	0	0
(10) Other* specify: Other Reserve	150,000	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$6,952,146	\$0	\$3,437,265	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$25,349,800	\$0	\$21,834,919	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	4,400,000	2,450,000	550,000	0
4. Owner's Acquisition Costs				
Land	907,600			
Existing Improvements	23,592,400	23,592,400		
Subtotal 4:	\$24,500,000	\$23,592,400		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$54,249,800	\$26,042,400	\$22,384,919	\$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:

\$4,417,984

Proposed Development's Cost per Sq Foot

\$139 **Meets Limits**

Applicable Cost Limit by Square Foot:

\$176

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	54,249,800	26,042,400	22,384,919	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)		26,042,400	22,384,919	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>			6,715,476	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			29,100,395	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		26,042,400	29,100,395	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)		\$1,041,696	\$1,164,016	\$0
			\$2,205,712 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.	Tax Exempt Bonds			\$33,000,000	Wells Fargo, Justin X. Shackleford
2.					
3.					
Total Construction Funding:				\$33,000,000	

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	Amount of Funds <i>(Whole Numbers only)</i>	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1.	Wells Fargo			\$33,000,000	\$1,609,218	3.38%	35.00	17.00
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$33,000,000	\$1,609,218			

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.	N/A				
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.	N/A		
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	\$33,000,000
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: **66.89%**

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 listing financing and credit enhancements.

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. **TRUE** Other **Section 8 HAP Contract**

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

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	= \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	= \$0
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: <u>Operating Income</u>	\$736,756			
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>\$736,756</u>			

2. Equity Gap Calculation

a. Total Development Cost	\$54,249,800		
b. Total of Permanent Funding, Grants and Equity	-	<u>\$33,736,756</u>	
c. Equity Gap		\$20,513,044	
d. Developer Equity	-	<u>\$2,052</u>	
e. Equity gap to be funded with low-income tax credit proceeds		\$20,510,992	

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	<u>Wells Fargo Community Lending and Investment</u>		
Contact Person:	<u>Korbin Heiss</u>	Phone:	<u>(212) 214-7348</u>
Street Address:	<u>150 East 42nd St, 36th Floor</u>		
City:	<u>New York</u>	State:	<u>NY</u>
		Zip:	<u>10017</u>
b. Syndication Equity			
i. Anticipated Annual Credits		<u>\$2,205,704.00</u>	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		<u>\$0.930</u>	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		<u>99.99000%</u>	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		<u>\$0</u>	
v. Net credit amount anticipated by user of credits		<u>\$2,205,483</u>	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$20,510,992</u>	
c. Syndication:	<u>Private</u>		
d. Investors:	<u>Corporate</u>		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	<u>\$20,510,992</u>
---	---------------------

5. Net Equity Factor

Must be equal to or greater than 85%	<u>92.9999823382%</u>
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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>\$54,249,800</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$33,736,756</u>
3. Equals Equity Gap		<u>\$20,513,044</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>92.9999823382%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$22,057,041</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$2,205,704</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$2,205,712</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$2,205,704</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$10,604.3462</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$4,519.8852</u>	

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		\$342,940
Plus Other Income Source (list): <u>Laundry</u>		\$416
Equals Total Monthly Income:		\$343,356
Twelve Months		x12
Equals Annual Gross Potential Income		\$4,120,272
Less Vacancy Allowance <u>5.0%</u>		\$206,014
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$3,914,258

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): <u></u>		\$0
Equals Total Monthly Income:		\$0
Twelve Months		x12
Equals Annual Gross Potential Income		\$0
Less Vacancy Allowance <u>0.0%</u>		\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units		\$0

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$3,914,258
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$3,914,258
d. Total Expenses	\$1,713,552
e. Net Operating Income	\$2,200,706
f. Total Annual Debt Service	\$1,609,218
g. Cash Flow Available for Distribution	\$591,488

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	3,914,258	3,992,544	4,072,394	4,153,842	4,236,919
Less Oper. Expenses	1,713,552	1,764,959	1,817,907	1,872,445	1,928,618
Net Income	2,200,706	2,227,585	2,254,487	2,281,398	2,308,301
Less Debt Service	1,609,218	1,609,218	1,609,218	1,609,218	1,609,218
Cash Flow	591,488	618,367	645,269	672,180	699,083
Debt Coverage Ratio	1.37	1.38	1.40	1.42	1.43

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	4,321,658	4,408,091	4,496,253	4,586,178	4,677,901
Less Oper. Expenses	1,986,476	2,046,071	2,107,453	2,170,676	2,235,797
Net Income	2,335,181	2,362,020	2,388,800	2,415,501	2,442,104
Less Debt Service	1,609,218	1,609,218	1,609,218	1,609,218	1,609,218
Cash Flow	725,963	752,802	779,582	806,283	832,886
Debt Coverage Ratio	1.45	1.47	1.48	1.50	1.52

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	4,771,459	4,866,888	4,964,226	5,063,511	5,164,781
Less Oper. Expenses	2,302,871	2,371,957	2,443,115	2,516,409	2,591,901
Net Income	2,468,589	2,494,932	2,521,111	2,547,102	2,572,880
Less Debt Service	1,609,218	1,609,218	1,609,218	1,609,218	1,609,218
Cash Flow	859,371	885,714	911,893	937,884	963,662
Debt Coverage Ratio	1.53	1.55	1.57	1.58	1.60

Estimated Annual Percentage Increase in Revenue 2.00% (Must be \leq 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be \geq 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: 19

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

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	VA8812001	8		101-103 Bayridge Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
2	VA8812002	16		104,105,106, & 107 Bayridge Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
3	VA8812003	8		100 & 102 Bayridge Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
4	VA8812004	8		101 & 103 Bayridge Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
5	VA8812005	16		104, 105, 106, & 107 Oceanside Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
6	VA8812006	8		100 & 102 Oceanside Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
7	VA8812007	12		100-104 Beachtown Dr, 1039-1043 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
8	VA8812008	12		105-107 Shoreview Ct, 1033-1037 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
9	VA8812009	8		100-101 Shoreview Ct, 1036-1040 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
10	VA8812010	16		102-108 Shoreview Ct, 1025-1031 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
11	VA8812011	16		103-109 Seacove Ct, 1017-1023 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
12	VA8812012	8		100-101 Seacove Ct	Virginia Beach	VA	23451	\$1,370,653	05/13/21	100.00%	\$1,370,653	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
13	VA8812013	16		1009-1015 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
14	VA8812014	16		1001-1007 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,600	12/31/22	100.00%	\$1,531,600					\$0
15	VA8812015	8		995-997 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,599	12/31/22	100.00%	\$1,531,599					\$0
16	VA8812016	8		987-993 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,599	12/31/22	100.00%	\$1,531,599					\$0
17	VA8812017	8		983-985 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,599	12/31/22	100.00%	\$1,531,599					\$0
18	VA8812018	12		973-977 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,599	12/31/22	100.00%	\$1,531,599					\$0
19	VA8812019	4		969-971 Atlantis Dr	Virginia Beach	VA	23451	\$1,370,652	05/13/21	100.00%	\$1,370,652	\$1,531,599	12/31/22	100.00%	\$1,531,599					\$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

208 0

Totals from all buildings

\$26,042,400

\$29,100,395

\$0

\$26,042,400

\$29,100,395

\$0

Number of BINS: 19

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: Atlantis Preservation LP


By: 
Its: John Tatum, Authorized Signatory
(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:	<u>Moseley Architects</u>
Virginia License#:	<u>17551</u>
Architecture Firm or Company:	<u>Moseley Architects</u>

By:  Thomas A. Liebel, FAIA

Its: Vice 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		Score
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
Y	Y or N	0
Y	Y or N	0
Total:		0.00

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:		10.00

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
Y	0 or 20	20.00
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:		20.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			46.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
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	Y	0 or 15	15.00
e. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
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	N	0 or 5	0.00
Total:			61.00

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$82,500	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	44.23%	Up to 15	15.00
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)	4.81%	Up to 10	4.81
e. Units with rent and income at or below 50% of AMI	39.42%	Up to 50	39.42
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	41.83%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	41.83%	Up to 50	0.00
Total:			74.23

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:			50.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	66.48
b. Cost per unit		Up to 100	-3.69
Total:			62.79

7. BONUS POINTS:

a. Extended compliance	35 Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
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:			50.00

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

TOTAL SCORE: **328.02**

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	20.00
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	1.00
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	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	3.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
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	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
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>46.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
Total amenities:		<u>46.00</u>

X.

Development Summary

Summary Information

2021 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Atlantis Apartments

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$2,205,704
Allocation Type: Acquisition/Rehab **Jurisdiction:** Virginia Beach City
Total Units: 208 **Population Target:** General
Total LI Units: 208
Project Gross Sq Ft: 213,263.00 **Owner Contact:** John Tatum
Green Certified? FALSE

Total Score
328.02

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$33,000,000	\$158,654	\$155	\$1,609,218

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$11,627,200	\$55,900	\$55	21.43%
General Req/Overhead/Profit	\$1,627,808	\$7,826	\$8	3.00%
Other Contract Costs	\$5,142,646	\$24,724	\$24	9.48%
Owner Costs	\$6,952,146	\$33,424	\$33	12.82%
Acquisition	\$24,500,000	\$117,788	\$115	45.16%
Developer Fee	\$4,400,000	\$21,154	\$21	8.11%
Total Uses	\$54,249,800	\$260,816		

Total Development Costs

Total Improvements	\$25,349,800
Land Acquisition	\$24,500,000
Developer Fee	\$4,400,000
Total Development Costs	\$54,249,800

Income	
Gross Potential Income - LI Units	\$4,120,272
Gross Potential Income - Mkt Units	\$0
Subtotal	\$4,120,272
Less Vacancy %	5.00%
Effective Gross Income	\$3,914,258

Proposed Cost Limit/Sq Ft: \$139
Applicable Cost Limit/Sq Ft: \$176

Rental Assistance? TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	20
# of 2BR	96
# of 3BR	92
# of 4+ BR	0
Total Units	208

Expenses		
Category	Total	Per Unit
Administrative	\$435,980	\$2,096
Utilities	\$320,480	\$1,541
Operating & Maintenance	\$440,004	\$2,115
Taxes & Insurance	\$454,688	\$2,186
Total Operating Expenses	\$1,651,152	\$7,938
Replacement Reserves	\$62,400	\$300
Total Expenses	\$1,713,552	\$8,238

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	10
50% AMI	82	77
60% AMI	126	121
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$3,914,258
Total Expenses	\$1,713,552
Net Income	\$2,200,706
Debt Service	\$1,609,218
Debt Coverage Ratio (YR1):	1.37

Income Averaging? FALSE

Extended Use Restriction? 50

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)		66.48
Using proposed method:		
Combined Max	\$2,205,712	
Credit Requested	\$2,205,704	
% of Savings	0.00%	
Sliding Scale Points		0
<i>Difference</i>		-66.48

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)		-3.69
Using proposed method:		
Total Costs Less Acquisition	\$29,749,800	
Total Square Feet	213,263.00	
Proposed Cost per SqFt	\$139.50	
Applicable Cost Limit per Sq Ft	\$176.00	
% of Savings	20.74%	
Sliding Scale Points		41.48
<i>Difference</i>		45.17

\$/SF = **\$244.34** Credits/SF = **11.46035** Const \$/unit = **\$88,450.2596**

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**

11000
500
3

In
 Nova
 500
 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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	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	649.00	849.00	1,065.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	20	96	92	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	158,550	215,175	232,163	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	158,550	215,175	232,163	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	158,550	215,175	232,163	0	0	0	0
PROJECT COST PER UNIT	0	158,578	207,446	260,224	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	11,550	15,675	16,913	0	0	0	0
PROJECT CREDIT PER UNIT	0	7,438	9,730	12,205	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	1.66	-5.35	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	6.85	35.01	24.62	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **-3.69**

TOTAL CREDIT PER UNIT POINTS **66.48**

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	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 - 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	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

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	158,550	215,175	232,163	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	158,550	215,175	232,163	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	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	11,550	15,675	16,913	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	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 - 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	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

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	158,550	215,175	232,163	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	158,550	215,175	232,163	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	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	11,550	15,675	16,913	0	0	0	0

\$/SF = **\$244.34** Credits/SF = **11.46035** Const \$/unit = **\$88,450.26**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

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

11000
500
3

500
3

*REHABS LOCATED IN BELTWAY (\$10,000-\$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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	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	649.00	849.00	1,065.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	20	96	92	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	158,550	215,175	232,163	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	158,550	215,175	232,163	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	158,550	215,175	232,163	0	0	0	0
PROJECT COST PER UNIT	0	158,578	207,446	260,224	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	11,550	15,675	16,913	0	0	0	0
PROJECT CREDIT PER UNIT	0	7,438	9,730	12,205	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	1.66	-5.35	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	6.85	35.01	24.62	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **-3.69**

TOTAL CREDIT PER UNIT POINTS **66.48**

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	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 - 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	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

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	158,550	215,175	232,163	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	158,550	215,175	232,163	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	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	11,550	15,675	16,913	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	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 - 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	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

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	158,550	215,175	232,163	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	158,550	215,175	232,163	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	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	11,550	15,675	16,913	0	0	0	0

VHDA Multifamily Development Existing Condition Questionnaire/On-Site Analysis

Project: Atlantis Apartments Date of Visit: _____
 Project Type(s): High/Mid-rise Garden Style Townhouse Scattered Site Other: _____
 Structure(s): Concrete Steel Masonry Wood Other: _____
 Number of Buildings: 19 plus 1 community building = 20 Age of Property: 1970
 Number of Units: 208 First Occupancy: 1970
 Unit Addresses and Unit Types Observed: _____

Site

Parking
 Age: 20+ Alligatoring: Y N Potholes: Y N
 Drainage: G P Overall Condition: _____

Lighting
 Min. 1fc at parking? Y N Min. 1fc at sidewalks? Y N Min. 1fc at mailboxes? Y N
 Min. 1fc at dumpsters? Y N Overall Condition: _____

Grading
 Negative Drainage Observed: Y N Location: _____
 Water Infiltrating Buildings: Y N Location: _____

Landscaping
 Grass Dead Patches: Y N Overall Condition: _____
 Foundation Plantings: Y N Overall Condition: _____
 Dead landscaping/stumps: Y N Notes: _____

Trash
 Dumpster OR Compactor OR Individual Tenant Cans
 Enclosure: Y N Condition: _____
 Apron: Y N Condition: _____

Retaining Walls
 Exist on site: Y N Condition: _____
 Additional needed: Y N Notes: _____

Sidewalks
 Cracks/Spalling: Y N Trip Hazards: Y N
 Overall Condition: _____

Accessibility
 Accessible Route Provided From HC Parking to Units: Y N
 Notes: _____

Accessible Route Provided From Units to Common Areas: Y N
 Notes: _____

Systems

HVAC
 Type: split system heat pump
 Avg. Age of Equipment: Various Overall Condition: _____
 Exhaust Fans Discharge to Exterior: Y N
 Additional Notes: _____

VHDA Multifamily Development
Existing Condition Questionnaire/On-Site Analysis

Plumbing

Interior

Supply Type: Copper CPVC PEX Polybutylene Other _____

Overall Condition: _____

Waste Type: Cast Iron PVC Galvanized Other _____

Overall Condition: _____

Exterior

Supply Type: Copper CPVC PEX Polybutylene Other _____

Overall Condition: _____

Waste Type: Cast Iron PVC Galvanized Other _____

Water Heater Type: electric _____ Avg. Age: various _____ Condition: _____

Bathtub Type: Fiberglass Cast Iron Other * _____ Condition: *bathtubs are enameld steel w/ tile

Surround Type: Fiberglass Ceramic Other _____ Condition: surroundshowers are fiberglass

Toilet: GPF: 1.28-1.6 _____ Avg. Age: various _____ Condition: _____

Electrical

Service Size Per Building: 125A, 120/240V _____ Unit Panel Size: 125A _____

Feeder Type: Copper OR Alum. _____ Branch Wire Type: Copper OR Alum. _____

Outlet age: 19 _____ Outlets Grounded: Y N _____

Outlet Overall Condition: _____

Exposed Wiring: Y N _____ Locations: _____

Phones

Outlet Locations: bedrooms, kitchen _____ **Cable TV**

Cable TV

Outlet Locations: living room _____

Kitchen Lights: 1x4 Fluorescent OR Other (2) surface mounted down lights _____

Laundry: In-unit OR Central _____

Type: Side by Side Stacked Combo Other _____

Age: unknown _____ Condition: _____

How is Overflow Addressed: Pan with Drain Moisture Sensor Other _____

Appliances

Ref. Avg. Age: Various _____ Range Type: elec. _____ Avg. Age: 1 _____ Range Hood Avg. Age: Various _____

Dishwasher: Y N _____ Dishwasher Avg. Age: Various _____

Overall Conditions: _____

Elevator

Type: N/A _____ Size: _____ Last Upgraded: _____

Sprinkler system

Type: Full Partial NA _____ Comments: _____

Fire Alarm system

Type: Full Partial NA _____ Comments: _____

Smoke Detector Locations: Stairwell, one outside bedroom area _____

Structure

Foundation

Type: Slab on Grade Crawl Space Basement Other: _____

Overall Condition: _____

Roof

Type: Pitched Flat Combo. _____ Age: unknown Sheathing Thickness: unknown _____

Overall Condition: _____

VHDA Multifamily Development
Existing Condition Questionnaire/On-Site Analysis

Roof Overhang at Breezeway Stair Minimum 5': Y N

Insulation and Ventilation

Attic
Insulation Type: fiberglass batt R-Value: unknown Ventilation Type: vented soffit

Crawl space
Insulation Type: N/A R-Value: Ventilation Type:

Exterior wall
Insulation Type: fiberglass batt R-Value: 11 Sheathing Type: plywood

Structural Deficiencies

Disclosed or Identified Structural Deficiencies: none

Doors

Common

Overall Condition: _____

Apt. Entry Doors

Material: Steel OR Wood Door Type: Flush Raised Panel Variety Age: _____

Condition: _____

Hardware Type: Knob OR Lever Hardware Finish: Silver Yellow Variety

Hardware Condition: _____

Pre-hung Doors

Door Type: Flush Raised Panel Variety Condition: _____

Hardware Type: Knob OR Lever Hardware Finish: Silver Yellow Variety

Hardware Condition: _____

Windows

Common

Age: unknown Overall Condition: _____

Apts.

Type: Vinyl Alum. Store Front Alum. Insulated: Y N

Age: unknown Overall Condition: _____

Breezeway Stair

Type: Wood Steel Concrete Combo. Condition: _____

Building Envelope

Material Type: vinyl siding & brick Age: unknown Condition: _____

Brick Row Lock Slope: Adequate OR Not adequate OR Need Architect To Perform Inspection

Exterior Trim

Type: vinyl/ sheet metal Condition: _____

Flooring

Carpet Condition: G P NA Ceramic Condition: G P NA

Hardwood Condition: G P NA Vinyl Condition: G P NA

Notes: _____

Cabinets and Counters

Kitchen Condition: _____ Bath Condition: _____

Drywall

Overall Condition: _____

VHDA Multifamily Development Existing Condition Questionnaire/On-Site Analysis

Baseboard

Type: WOOD Condition: _____

Kitchen Pass Through

Existing: Y N To be Provided: Y N NA

Environmental

Storage Tanks

Above Ground: Y N Underground: Y N Will be removed: Y N NA

Notes: _____

Lead Paint

Present: Y N Notes: _____

Asbestos

Present: Y N Notes: _____

General Notes

A

Partnership or Operating Agreement

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

**AGREEMENT OF LIMITED PARTNERSHIP
OF
ATLANTIS PRESERVATION LP**

(A Virginia Limited Partnership)

This Agreement of Limited Partnership (this “**Agreement**”) of **ATLANTIS PRESERVATION LP**, a Virginia limited partnership (the “**Partnership**”) is made and entered into as of November 18, 2020, by **ATLANTIS PRESERVATION GP LLC**, a Virginia limited liability company, as the general partner (the “**General Partner**”), **FAIRSTEAD AFFORDABLE LLC**, a Delaware limited liability company, as a limited partner (the “**Initial Limited Partner**”). The General Partner, the Initial Limited Partner and any other person who may be admitted as a partner of the Partnership in accordance with this Agreement are hereinafter referred to as the “**Partners**.”

1. Formation. The Partnership was formed as a limited partnership on November 18, 2020, upon the execution and filing of a certificate of limited partnership (the “**Certificate**”) with the Commonwealth of Virginia State Corporation Commission in accordance with the provisions of the Virginia Revised Uniform Limited Partnership Act, as amended from time to time (the “**Act**”).

2. Name. The name of the Partnership is “**ATLANTIS PRESERVATION LP**”.

3. Principal Business Office; Registered Office and Agent. The principal business office of the Partnership, the General Partner and the Initial Limited Partner shall be located at such location as the General Partner shall designate from time to time. The registered office of the Partnership in the Commonwealth of Virginia State Corporation Commission shall be c/o Stellar Corporate Services LLC, 7288 Hanover Green Dr Ste A, in the City of Mechanicsville, County of Hanover or such other location as the General Partner shall designate from time to time, and the Partnership’s registered agent for service of process on the Partnership at such address shall be Stellar Corporate Services LLC, 7288 Hanover Green Dr Ste A, in the City of Mechanicsville, County of Hanover or such other agent as the General Partner may designate from time to time.

4. Term. The term of the Partnership commenced on the date the Certificate was filed with the Commonwealth of Virginia State Corporation Commission and shall continue until dissolved in accordance with this Agreement. The existence of the Partnership as a separate legal entity shall continue until cancellation of the Certificate. The term of the Partnership is perpetual.

5. Purpose. The purpose of the Partnership is to engage in any business or activity for which a limited partnership may be formed under the Act. The Partnership, by itself or through one or more subsidiaries, may engage in any lawful act or activity and shall have, and may exercise, any and all powers necessary or convenient to effect any or all of the purposes for which the Partnership is organized.

6. Management.

(a) Management of the Partnership shall be vested solely and exclusively in the General Partner, except to the extent, if any, that the General Partner delegates such authority. The General Partner shall have the full power and authority to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein (including all powers, statutory or otherwise, possessed by a general partner of a limited partnership under the laws of the State of Virginia, including the right to appoint (and remove) officers of the Partnership to act on behalf of the Partnership). Any appointment by the General Partner of officers of the Partnership shall be deemed to have been made pursuant to this Agreement and may be made by a written resolution of the General Partner. The General Partner has the authority to bind the Partnership.

(b) The General Partner shall devote such time to the business of the Partnership as it deems necessary, desirable or appropriate. In addition to the other rights and powers of the Partnership, the General Partner is expressly authorized to: (i) employ, engage or contract with other entities, including affiliates, in the operation and management of the Partnership; (ii) borrow money; (iii) purchase, sell, pledge, hypothecate and mortgage Partnership property; and (iv) take any other actions which the General Partner deems necessary, desirable or appropriate. The Partnership shall reimburse the General Partner for all costs incurred by the General Partner, its affiliates, employees or agents on behalf of the Partnership or otherwise in connection with performance of the duties of the General Partner.

(c) In no event shall any person or entity dealing with the Partnership or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every agreement, certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every person or entity relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such agreement, certificate, document or instrument, this Agreement was in full force and effect, (ii) the person executing and delivering such agreement, certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such agreement, certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

(d) The implementation of any decision made by the General Partner (including, without limitation, any decision made by any person or entity that has been delegated such authority in accordance with this Agreement) may be through any person or entity selected by the General Partner (including, without limitation, any Officer of the Partnership). All approvals and consents required herein may be prospective or retroactive. Unless otherwise determined by the General Partner, the Partnership shall have officers with such powers and duties and such authority as are customary with regard to the relative position and title held by each such officer and with such additional powers and duties and with such additional authority as may from time to time be delegated to them by the General Partner, including, without limitation, as set forth on Exhibit A and Exhibit B attached hereto. The Partnership will initially have the officer positions set forth on Exhibit A attached hereto and made a part hereof. The initial officers of the Partnership, which by the terms hereof are hereby elected, appointed and approved by the General Partner, shall be those persons listed on Exhibit B attached hereto and made a part hereof and each

is hereby elected, appointed and approved as an officer of the Partnership to the position set forth adjacent to each such person's name on Exhibit B (each an "Officer"). The General Partner may from time to time appoint, elect, remove or replace officers to serve in any position and may, from time to time and notwithstanding anything to the contrary contained in this Agreement and without the consent of any other Partner, person, or entity, amend or replace Exhibit A and Exhibit B in order to reflect any change thereto and the Agreement shall be updated to reflect such new Exhibit. Each such Officer will hold office until his or her successor has been duly elected and qualified, or until his or her death or until he or she resigns or has been removed. The General Partner, acting alone, may appoint such other Officers as it may from time to time determine, each of whom will hold such office and perform such duties as the General Partner, acting alone, may from time to time determine. Any Officer may be removed, either with or without cause, at any time, by written notice of the General Partner, acting alone. Any Officer may resign at any time by giving written notice to the Partnership. The resignation of any Officer will take effect upon receipt of notice or at such later time as may be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(e) The signed statement of the General Partner or any single Officer reciting that he/she has authority to undertake any act or has the necessary authority to take such act, when delivered to any third party, shall be all the evidence such third party shall need concerning the capacity of such person, and any such third party shall be entitled to rely upon such statement and shall not be required to inquire further as to any of the facts contained in such statement, said facts being deemed to be true insofar as such third party is concerned. After delivering such statement, the General Partner or any single Officer, by its signature alone, may sign any instrument and bind the Partnership and the property of the Partnership.

(f) Each contract, agreement, deed, mortgage, security agreement, promissory note, guaranty or any other instrument, agreement, certificate or document of any kind that is executed by the General Partner or any single Officer with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every person relying thereon or claiming thereunder that (i) at the time of the execution and delivery thereof, this Agreement was in full force and effect, (ii) such instrument, certificate or other document was duly executed in accordance with the terms, conditions and provisions of this Agreement and is binding upon the Partnership, and (iii) the General Partner or any single Officer was duly authorized and empowered to execute and deliver any and every instrument or document for and on behalf of the Partnership.

7. Liability of Limited Partners. No Limited Partner shall be personally liable for any of the debts of the Partnership or any of the losses thereof beyond the amount contributed or contracted to be contributed by the Limited Partner to the capital of the Partnership. The liability of each Limited Partner is limited to the fullest extent permitted by the Act, and no Limited Partner shall have any liability for the Partnership except as expressly required by the Act.

8. Capital Contributions. The Partners shall make capital contributions to the Partnership in such amounts as they may agree and set forth on the books and records of the Partnership. The Partners are not required to make any additional capital contributions to the Partnership.

9. Loans. Nothing in this Agreement shall prevent any Partner (or any of its affiliates) from making secured or unsecured loans to the Partnership.

10. Distributions; Allocations. Distributions shall be made to the Partners at such time, to such extent, in such manner and in such amount as the General Partner shall determine in its sole discretion. All items of income, profit and loss of the Partnership shall be allocated to the Partners in proportion to their respective amounts of capital contributions to the Partnership or, if the Partners have not made any capital contributions, then in such manner as may be agreed by the Partners.

11. Tax Matters Partner and Partnership Representative. The General Partner, or such other person as the General Partner may determine from time to time, shall be: (a) the tax matters partner within the meaning of Section 6231(a)(7) of the Code and (b) the “Partnership Representative” within the meaning of Section 6223 of the Code, as amended by the Bipartisan Budget Act of 2015. All expenses incurred by the tax matters partner and Partnership Representative in connection with his, her or its duties as tax matters partner and Partnership Representative shall be expenses of the Partnership.

12. Elections. The General Partner shall determine the accounting methods and conventions under the tax laws of any and all applicable jurisdictions as to the treatment of income, gain, loss, deduction and credit of the Partnership or any other method or procedure related to the preparation of such tax returns. The General Partner may cause the Partnership to make or refrain from making any and all elections permitted by such tax laws, and the General Partner shall not be liable for any consequences to any previously admitted or subsequently admitted partners resulting from their making or failing to make any such elections. Any Partner and any additional partner may hold its interest in the Partnership as a nominee/record holder for the benefit of an underlying beneficial owner.

13. Other Business. For the avoidance of doubt, a Partner and any affiliate thereof may engage in or possess an interest in other business ventures of every kind and description, independently or with others, notwithstanding any provision to the contrary at law or in equity. The Partnership shall not have any rights in or to such ventures or the income or profits therefrom by virtue of this Agreement.

14. Assignment. A Partner may assign in whole or in part its partnership interest in the Partnership. If a Partner transfers all of its partnership interest in the Partnership, the transferee shall, subject to Section 16, be admitted to the Partnership as a Partner upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Partner shall cease to be a Partner. Notwithstanding anything in this Agreement to the contrary, any successor to a Partner by merger or consolidation shall, without further act, be a Partner hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Partnership shall continue without dissolution.

15. Withdrawal. The General Partner may withdraw at any time, in which case the remaining Partners may either (a) choose a new general partner within 90 days of the General Partner's withdrawal or (b) vote to dissolve the Partnership.

16. Admission of Additional or Substitute Partners. One or more persons or entities may be admitted as additional or substitute Partners, limited or general, upon the approval of the General Partner.

17. Dissolution. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of the following: (a) all of the Partners consent to the dissolution of the Partnership; (b) an Event of Withdrawal (within the meaning of Section 50-73.28 of the Act) by the General Partner unless the remaining Partners have chosen a new general partner within 90 days of the General Partner's withdrawal; and (c) a judicial dissolution of the Partnership under Section 50-73.8 of the Act. In the event of dissolution, the Partnership shall be wound up and its assets liquidated. In connection with the dissolution and winding up of the Partnership, the General Partner, or such other person or entity designated by the General Partner, shall proceed with the sale, exchange or liquidation of all of the assets of the Partnership (including any real property) and shall conduct such other activities as are necessary, advisable or appropriate to wind up the Partnership's affairs.

18. Liability.

(a) Liability to Partnership. None of the Limited Partner, or any Officer of the Partnership, or any employee, director, officer, agent, affiliate, shareholder, member, limited partner or general partner of any Partner or any affiliate of any Partner, shall be liable, responsible or accountable in damages or otherwise to the Partnership by reason of acts, omissions or errors in judgment, except for acts, omissions or errors in judgment that are found by a court of competent jurisdiction in a final judgment not subject to further appeal to be the result of such person's fraud, gross negligence or willful misconduct. Notwithstanding any of the foregoing to the contrary, the provisions of this Section 18 shall not be construed so as to relieve (or attempt to relieve) a person of any liability, to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the provisions of this Section 18 to the fullest extent permitted by law.

(b) No Personal Liability of General Partner, Limited Partners, Etc. No Limited Partner shall be subject in such capacity to any personal liability whatsoever to any person in connection with the Partnership assets or the acts, obligations or affairs of the Partnership. The rights accruing to the Limited Partner under this Section 18 shall not exclude any other right to which such Limited Partner may be lawfully entitled, nor shall anything herein contained restrict the right of the Partnership to indemnify or reimburse the Limited Partner in any appropriate situation even though not specifically provided herein.

(c) Liability to Third Parties. Except as provided in this Section 18, no Limited Partner, or any employee, director, officer, agent, affiliate, shareholder, member, limited partner or general partner of the General Partner or any affiliate of the General Partner in his or her capacity as such shall be liable under a judgment, decree, or order of a court, or in any other manner, for any debt, obligation or liability of the Partnership.

19. Indemnification.

(a) To the fullest extent permitted by law, the Partnership shall indemnify, defend and hold harmless each Partner, and any past, present or future Officer, manager, employee, director, officer, affiliate, shareholder, member, limited partner and general partner of (x) each Partner or (y) any affiliate of each Partner (each, an “**Indemnified Person**”) from and against any loss, liability, damages, cost or expense (including legal fees and expenses and any amounts paid in settlement) (each a “**Loss**” and collectively “**Losses**”) resulting from a claim, demand, lawsuit, action or proceeding by reason of any act or omission performed or omitted by such Indemnified Person on behalf of the Partnership in a manner reasonably believed to be within the scope of the authority conferred on such Indemnified Person as permitted by or in accordance with this Agreement; provided, however, that (i) no Indemnified Person shall be entitled to indemnification pursuant to this Section 19 with respect to any matter as to which such Indemnified Person is found by a court of competent jurisdiction in a final judgment not subject to further appeal to have committed an act or omission that constituted bad faith, fraud, gross negligence or willful misconduct and (ii) the Indemnified Person shall not be entitled to indemnification with respect to any amount paid in settlement if the settlement was effectuated without the Partnership’s prior written consent, which shall consent not be unreasonably withheld.

(b) Expenses, including legal fees, reasonably incurred by an Indemnified Person in defense of any claim, demand, lawsuit, action or proceeding for which such Indemnified Person may be entitled to indemnification under this Section 19 may, in the General Partner’s discretion, be paid by the Partnership to the Indemnified Person upon demand by the Indemnified Person so long as the Partnership has received a written undertaking of such Indemnified Person to reimburse the Partnership for such expenses if such Indemnified Person is not entitled to indemnification hereunder. The indemnification provided by this Section 19 shall be in addition to any other rights to which an Indemnified Person may be entitled under any agreement, executed by the Partnership, as a matter of law or otherwise. The Partners expressly intend that the provisions of this Section 19 shall be interpreted to reflect an ordering of liability for potentially overlapping or duplicative indemnification payments, with any applicable third-party indemnifier having primary liability and the Partnership having only secondary liability.

20. Insurance. The Partnership may purchase and maintain insurance, on behalf of the Managers, the Officers and such other persons as the General Partner or an Officer shall determine, against any liability that may be asserted against or expense that may be incurred by, such persons in connection with the business or activities of the Partnership, regardless of whether the Partnership would have the power or obligation to indemnify such persons against such liability under the provisions of this Agreement.

21. Amendments to this Agreement. The terms and provisions of this Agreement may be modified or amended at any time and from time to time by the written consent of the Partners.

22. Entire Agreement. This Agreement supersedes all prior agreements with respect to the subject matter hereof. This Agreement contains the entire agreement with respect to such subject matter. This Agreement may not be amended, supplemented or discharged, and no provision hereof may be modified or waived, except expressly by an instrument in writing signed by the Partners. No waiver of any provision hereof shall be deemed a waiver of any other provision

nor shall any such waiver by any party be deemed a continuing waiver of any matter. No amendment, modification, supplement, discharge, or waiver hereof or hereunder shall require the consent of any person not a party to this Agreement.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Agreement by facsimile or as a PDF or similar attachment to an e-mail shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

24. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Virginia, all rights and remedies being governed by said laws.

25. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

26. Definitions. When used in this Agreement, the term “**person**” shall mean any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority. When used in this Agreement, the term “**Affiliate**” shall mean, with respect to any person, any other person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with such person; the term “**control**” shall mean, with respect to a person that is a corporation, the right to elect a majority of its board of directors and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

27. Limitation on Rights of Others. None of the provisions of this Agreement, including Sections 8 and 10, shall be for the benefit of or enforceable by any creditor of the Partnership. Furthermore, no Partner shall have any duty or obligation to any creditor of the Partnership to make any contribution to the Partnership or to issue any call for capital pursuant to this Agreement. Nothing in this Agreement shall be deemed to create any legal or equitable right, remedy or claim in any person not a party hereto (other than an Indemnified Person).

28. Representation of Each Partner. The undersigned hereby represents and warrants to any party that may rely on this Agreement that the undersigned is duly authorized to enter into this Agreement on behalf of each such Partner in the capacity set forth below.

29. Limitation of Liability. No present or future partner, member, manager, director, officer, shareholder, employee, advisor, Affiliate or agent of any party to this Agreement or their respective Affiliates shall have any personal liability, directly or indirectly, under or in connection with this Agreement, or any amendment or amendments to this Agreement made at any time or times, heretofore or hereafter, and each party and its successors and assigns and, without limitation, all other persons and entities, shall look solely to the assets of the other parties for the payment of

any claim or for any performance, and each party hereby waives any and all such personal liability. The limitations of liability contained in this Section shall survive the termination of this Agreement and are in addition to, and not in limitation of, any limitation on liability applicable to any party provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the day, month and year first above written.

GENERAL PARTNER:

ATLANTIS PRESERVATION GP LLC
a Virginia limited liability company

By: 
Name: Jeffrey Goldberg
Title: Authorized Signatory

INITIAL LIMITED PARTNER:

FAIRSTEAD AFFORDABLE LLC
a Delaware limited liability company


By: 
Name: Jeffrey Goldberg
Title: Authorized Signatory

Exhibit A

(i) Chief Executive Officer. The Chief Executive Officer shall perform such duties and have such powers as the General Partner may from time to time prescribe. The Chief Executive Officer is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

(ii) Chief Operating Officer. The Chief Operating Officer shall perform such duties and have such powers as the General Partner may from time to time prescribe. The Chief Operating Officer is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

(iii) Chief Financial Officer. The Chief Financial Officer shall perform such duties and have such powers as the General Partner may from time to time prescribe. The Chief Financial Officer is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

(iv) Vice Presidents. Each Vice President shall perform such duties and have such powers as the General Partner may from time to time prescribe. Each Vice President is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

(v) Secretary. The Secretary, if present, shall act as secretary the Partnership and shall see that all reports, statements and other documents required by law are properly kept and filed. The Secretary shall be authorized to sign on behalf of the Partnership any forms, reports, schedules or filings required to be filed by the Partnership with any government or regulatory agency and approved by the General Partner and shall perform such other duties as from time to time may be assigned by the General Partner.

(vi) General Counsel. The General Counsel shall be the chief legal officer of the Partnership and shall, in general, perform all the duties incident to the office of General Counsel and such other duties as from time to time may be assigned by the General Partner. The General Counsel is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

(vii) Authorized Signatory. Each Authority Signatory shall be an Officer of the Partnership and shall perform such duties and have such additional powers as the General Partner may from time to time prescribe. The Authority Signatory is hereby delegated the authority of the General Partner on a non-exclusive basis and may enter into any contract and execute and deliver any instrument, contract or agreement approved by the General Partner in the name and on behalf of the Partnership.

Exhibit B

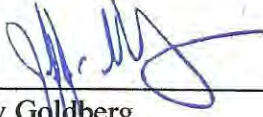
<u>Name</u>	<u>Office</u>
Jeffrey Goldberg	Authorized Signatory
Stuart Feldman	Authorized Signatory
John Tatum	Authorized Signatory
Yehuda Kestenbaum	Authorized Signatory

[End of Exhibit]

As of NOVEMBER 18, 2020

GENERAL PARTNER:

ATLANTIS PRESERVATION GP LLC
a Virginia limited liability company

By: 
Name: Jeffrey Goldberg
Title: Authorized Signatory

INITIAL LIMITED PARTNER:

FAIRSTEAD AFFORDABLE LLC
a Delaware limited liability company


By: 
Name: Jeffrey Goldberg
Title: Authorized Signatory

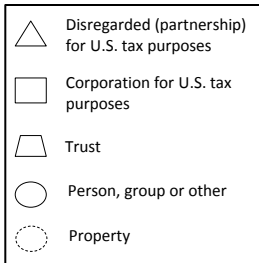
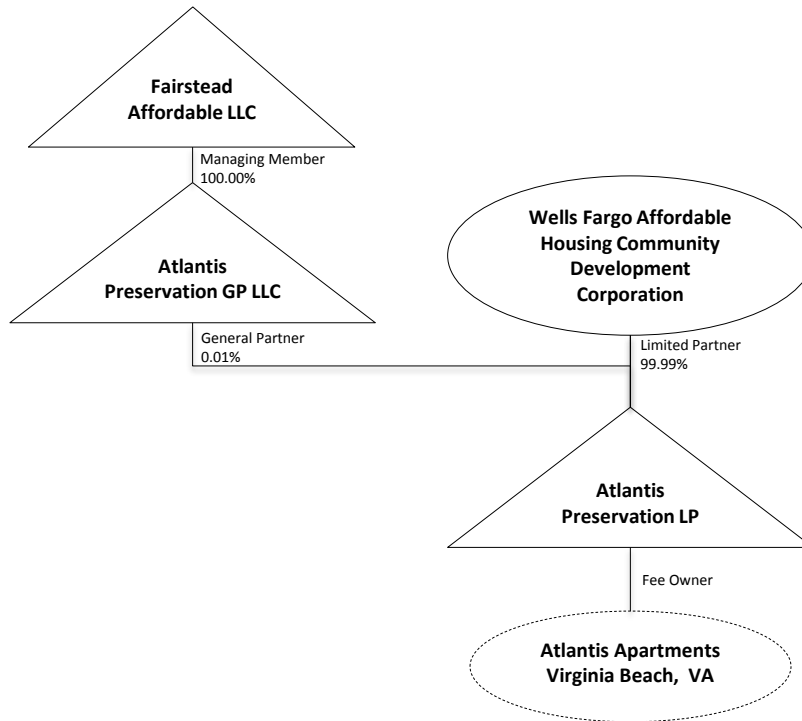
Exhibit C

PARTNERS OF ATLANTIS PRESERVATION LP

AS OF NOVEMBER 18, 2020

<u>Name</u>	<u>Type</u>	<u>Address</u>	<u>Percentage Interest</u>
ATLANTIS PRESERVATION GP LLC	General Partner	250 West 55 th Street, 35 th Floor, New York, NY 10019	0.01%
FAIRSTEAD AFFORDABLE LLC	Initial Limited Partner	250 West 55 th Street, 35 th Floor, New York, NY 10019	99.99%

Atlantis Apartments
Property Owner – Tax Credit
Admission of Tax Credit Investor



***** Notes *****

1. There are no individuals or entities excluded from the organizational chart which are either Non-U.S. Equity Holders or own a 25% or greater aggregate direct or indirect ownership interest in Property Owner (Borrower).
2. All entities are formed in Delaware unless otherwise noted.
3. All entities are Member-managed unless otherwise noted.
4. Social Security Numbers and EINs will be provided separately.
5. Guarantors and their structures are to be provided separately.

**Draft Developer Fee Agreement to be
submitted under separate cover.**

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, November 18, 2020

This is to certify that the certificate of limited partnership of

Atlantis Preservation 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.

Effective date: November 18, 2020



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Interim Clerk of the Commission

Limited Partnership - Certificate of Limited Partnership

Entity Information	
Entity Name:	Atlantis Preservation LP
Entity Type:	Limited Partnership
LLP Status:	No
Business Type	
Industry Code:	0 - General
Duration	
Perpetual(forever)	

Registered Agent Information	
RA Type:	Entity
RA Qualification:	N/A
Name:	Incorporating Services, Ltd.
Email Address:	RADIV@incserv.com
The limited partnership's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is:	
Registered Office Address:	7288 Hanover Green Dr Ste A, Mechanicsville, VA, 23111 - 1709, USA
Contact Number:	N/A
Locality: HANOVER COUNTY	

Principal Office Address	
Address: Atlantis Preservation GP LLC, 250 W 55th St Fl 35, New York, NY, 10019 - 9710, USA	

Principal Information			
Title	Name	Address	Jurisdiction
General Partner	Atlantis Preservation GP LLC	250 W 55th St Fl 35, New York, NY, 10019 - 9710, USA	VA

Signature Information		
Date Signed: 11/18/2020		
Printed Name	Signature	Title
John Tatum	John Tatum	on behalf of Atlantis Preservation GP LLC, its GP

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

Controlling General Partner: _____

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

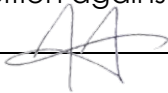
Previous Participation Certification, cont'd

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



Printed Name

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: Atlantis Apartments
 Name of Applicant: Atlantis Preservation LP

INSTRUCTIONS:

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.

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.

List only tax credit development experience since 2005 (i.e. for the past 15 years)

Use separate pages as needed, for each principal.

Principal's Name: John Tatum Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

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 8823s? (Y/N) Explain "Y"
St. Marks Apartments	St. Marks Preservation, LP (212)798-4081	Y	102	102	12/18/2018	9/10/2020	N
Berkley Apartments	Berkley Preservation, LP (212)798-4081	Y	373	373	11/13/2018	6/27/2019	N
Hope Village Apartments	Hope Preservation LP (212)798-4081	Y	100	100	1/31/2019	10/16/2020	N
Heritage Acres Apartments	Heritage Acres Preservation LP (212)798-4081	Y	76	76	7/3/2019	7/20/2020	N
Echo Valley Apartments	Echo Preservation LP (212)798-4081	Y	100	100	4/30/2019	5/27/2020	N
St. Martins Townhouses	St. Martins II Limited Partnership (212)798-4081	Y	63	63	9/30/2019	10/21/2020	N
Franklin Square Village	Franklin Square Preservation Urban Renewal LP (212)798-4081	Y	224	224	Construction completion	Construction completion	N
Federation Gardens	Federation Gardens Preservation LP (212)798-4081	Y	161	161	Construction completion	Construction completion	N
Federation Towers	Federation Towers Preservation LP (212)798-4081	Y	114	114	Construction completion	Construction completion	N
Woodland Crossing Apartments	Woodland Preservation LP (212)798-4081	Y	132	132	Under construction	Under construction	N
Findlay Senior Towers	Findlay Preservation Owner LLC (212)798-4081	Y	146	114	Construction completion	Construction completion	N
Festival Field Apartments	Festival Field Preservation LP (212)798-4081	Y	204	204	Under construction	Under construction	N
Euclid Hill Villa	Euclid Hill Preservation Owner LLC (212)798-4081	Y	505	353	Under construction	Under construction	N
Federation Sunrise	Federation Sunrise Preservation LP (212)798-4081	Y	123	123	Under construction	Under construction	N
Forest & Village Apartments	Forest & Village Preservation LP (212)798-4081	Y	200	162	Under construction	Under construction	N
Federation Gould	Federation Gould Preservation LP (212)798-4081	Y	101	101	Under construction	Under construction	N
Colony Apartments	Colony Preservation LP (212)798-4081	Y	137	137	Under construction	Under construction	N
Clifton Place	Clifton Preservation Owner LLC (212)798-4081	Y	183	183	Under construction	Under construction	N
Owl's Nest Apartments	Owls Nest Preservation Owner LLC (212)798-4081	Y	260	229	Under construction	Under construction	N
Foresthill Terrace	Foresthill Preservation Owner LLC (212)798-4081	Y	420	388	Under construction	Under construction	N
Federation Davie Apartments	Federation Davie Preservation LP (212)798-4081	Y	80	80	Under construction	Under construction	N
Park 79	Park 79 Preservation LP (212)798-4081	Y	76	76	Under construction	Under construction	N

* 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: 3,946 3,625

LIHTC as % of
 92% **Total Units**
 v.01.01.20

List of LIHTC Developments (Schedule A)



Development Name: Atlantis Apartments
 Name of Applicant: Atlantis Preservation LP

INSTRUCTIONS:

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.

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.

List only tax credit development experience since 2005 (i.e. for the past 15 years)

Use separate pages as needed, for each principal.

Principal's Name: Jeffrey Goldberg Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

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 8823s? (Y/N) Explain "Y"
St. Marks Apartments	St. Marks Preservation, LP (212)798-4081	Y	102	102	12/18/2018	9/10/2020	N
Berkley Apartments	Berkley Preservation, LP (212)798-4081	Y	373	373	11/13/2018	6/27/2019	N
Hope Village Apartments	Hope Preservation LP (212)798-4081	Y	100	100	1/31/2019	10/16/2020	N
Heritage Acres Apartments	Heritage Acres Preservation LP (212)798-4081	Y	76	76	7/3/2019	7/20/2020	N
Echo Valley Apartments	Echo Preservation LP (212)798-4081	Y	100	100	4/30/2019	5/27/2020	N
St. Martins Townhouses	St. Martins II Limited Partnership (212)798-4081	Y	63	63	9/30/2019	10/21/2020	N
Franklin Square Village	Franklin Square Preservation Urban Renewal LP (212)798-4081	Y	224	224	Construction completion	Construction completion	N
Federation Gardens	Federation Gardens Preservation LP (212)798-4081	Y	161	161	Construction completion	Construction completion	N
Federation Towers	Federation Towers Preservation LP (212)798-4081	Y	114	114	Construction completion	Construction completion	N
Woodland Crossing Apartments	Woodland Preservation LP (212)798-4081	Y	132	132	Under construction	Under construction	N
Findlay Senior Towers	Findlay Preservation Owner LLC (212)798-4081	Y	146	114	Construction completion	Construction completion	N
Festival Field Apartments	Festival Field Preservation LP (212)798-4081	Y	204	204	Under construction	Under construction	N
Euclid Hill Villa	Euclid Hill Preservation Owner LLC (212)798-4081	Y	505	353	Under construction	Under construction	N
Federation Sunrise	Federation Sunrise Preservation LP (212)798-4081	Y	123	123	Under construction	Under construction	N
Forest & Village Apartments	Forest & Village Preservation LP (212)798-4081	Y	200	162	Under construction	Under construction	N
Federation Gould	Federation Gould Preservation LP (212)798-4081	Y	101	101	Under construction	Under construction	N
Colony Apartments	Colony Preservation LP (212)798-4081	Y	137	137	Under construction	Under construction	N
Clifton Place	Clifton Preservation Owner LLC (212)798-4081	Y	183	183	Under construction	Under construction	N
Owl's Nest Apartments	Owls Nest Preservation Owner LLC (212)798-4081	Y	260	229	Under construction	Under construction	N
Foresthill Terrace	Foresthill Preservation Owner LLC (212)798-4081	Y	420	388	Under construction	Under construction	N
Federation Davie Apartments	Federation Davie Preservation LP (212)798-4081	Y	80	80	Under construction	Under construction	N
Park 79	Park 79 Preservation LP (212)798-4081	Y	76	76	Under construction	Under construction	N

* 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: 3,946 3,625 **LIHTC as % of**
 92% **Total Units**
 v.01.01.20

List of LIHTC Developments (Schedule A)



Development Name: Atlantis Apartments
 Name of Applicant: Atlantis Preservation LP

INSTRUCTIONS:

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.

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.

List only tax credit development experience since 2005 (i.e. for the past 15 years)

Use separate pages as needed, for each principal.

Principal's Name: Will Blodgett Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

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 8823s? (Y/N) Explain "Y"
St. Marks Apartments	St. Marks Preservation, LP (212)798-4081	Y	102	102	12/18/2018	9/10/2020	N
Berkley Apartments	Berkley Preservation, LP (212)798-4081	Y	373	373	11/13/2018	6/27/2019	N
Hope Village Apartments	Hope Preservation LP (212)798-4081	Y	100	100	1/31/2019	10/16/2020	N
Heritage Acres Apartments	Heritage Acres Preservation LP (212)798-4081	Y	76	76	7/3/2019	7/20/2020	N
Echo Valley Apartments	Echo Preservation LP (212)798-4081	Y	100	100	4/30/2019	5/27/2020	N
St. Martins Townhouses	St. Martins II Limited Partnership (212)798-4081	Y	63	63	9/30/2019	10/21/2020	N
Franklin Square Village	Franklin Square Preservation Urban Renewal LP (212)798-4081	Y	224	224	Construction completion	Construction completion	N
Federation Gardens	Federation Gardens Preservation LP (212)798-4081	Y	161	161	Construction completion	Construction completion	N
Federation Towers	Federation Towers Preservation LP (212)798-4081	Y	114	114	Construction completion	Construction completion	N
Woodland Crossing Apartments	Woodland Preservation LP (212)798-4081	Y	132	132	Under construction	Under construction	N
Findlay Senior Towers	Findlay Preservation Owner LLC (212)798-4081	Y	146	114	Construction completion	Construction completion	N
Festival Field Apartments	Festival Field Preservation LP (212)798-4081	Y	204	204	Under construction	Under construction	N
Euclid Hill Villa	Euclid Hill Preservation Owner LLC (212)798-4081	Y	505	353	Under construction	Under construction	N
Federation Sunrise	Federation Sunrise Preservation LP (212)798-4081	Y	123	123	Under construction	Under construction	N
Forest & Village Apartments	Forest & Village Preservation LP (212)798-4081	Y	200	162	Under construction	Under construction	N
Federation Gould	Federation Gould Preservation LP (212)798-4081	Y	101	101	Under construction	Under construction	N
Colony Apartments	Colony Preservation LP (212)798-4081	Y	137	137	Under construction	Under construction	N
Clifton Place	Clifton Preservation Owner LLC (212)798-4081	Y	183	183	Under construction	Under construction	N
Owl's Nest Apartments	Owls Nest Preservation Owner LLC (212)798-4081	Y	260	229	Under construction	Under construction	N
Foresthill Terrace	Foresthill Preservation Owner LLC (212)798-4081	Y	420	388	Under construction	Under construction	N
Federation Davie Apartments	Federation Davie Preservation LP (212)798-4081	Y	80	80	Under construction	Under construction	N
Park 79	Park 79 Preservation LP (212)798-4081	Y	76	76	Under construction	Under construction	N

* 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: 3,946 3,625 **LIHTC as % of**
 92% **Total Units**
 v.01.01.20

List of LIHTC Developments (Schedule A)



Development Name: Atlantis Apartments
 Name of Applicant: Atlantis Preservation LP

INSTRUCTIONS:

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.

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.

List only tax credit development experience since 2005 (i.e. for the past 15 years)

Use separate pages as needed, for each principal.

Principal's Name: Stuart Feldman Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

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 8823s? (Y/N) Explain "Y"
St. Marks Apartments	St. Marks Preservation, LP (212)798-4081	Y	102	102	12/18/2018	9/10/2020	N
Berkley Apartments	Berkley Preservation, LP (212)798-4081	Y	373	373	11/13/2018	6/27/2019	N
Hope Village Apartments	Hope Preservation LP (212)798-4081	Y	100	100	1/31/2019	10/16/2020	N
Heritage Acres Apartments	Heritage Acres Preservation LP (212)798-4081	Y	76	76	7/3/2019	7/20/2020	N
Echo Valley Apartments	Echo Preservation LP (212)798-4081	Y	100	100	4/30/2019	5/27/2020	N
St. Martins Townhouses	St. Martins II Limited Partnership (212)798-4081	Y	63	63	9/30/2019	10/21/2020	N
Franklin Square Village	Franklin Square Preservation Urban Renewal LP (212)798-4081	Y	224	224	Construction completion	Construction completion	N
Federation Gardens	Federation Gardens Preservation LP (212)798-4081	Y	161	161	Construction completion	Construction completion	N
Federation Towers	Federation Towers Preservation LP (212)798-4081	Y	114	114	Construction completion	Construction completion	N
Woodland Crossing Apartments	Woodland Preservation LP (212)798-4081	Y	132	132	Under construction	Under construction	N
Findlay Senior Towers	Findlay Preservation Owner LLC (212)798-4081	Y	146	114	Construction completion	Construction completion	N
Festival Field Apartments	Festival Field Preservation LP (212)798-4081	Y	204	204	Under construction	Under construction	N
Euclid Hill Villa	Euclid Hill Preservation Owner LLC (212)798-4081	Y	505	353	Under construction	Under construction	N
Federation Sunrise	Federation Sunrise Preservation LP (212)798-4081	Y	123	123	Under construction	Under construction	N
Forest & Village Apartments	Forest & Village Preservation LP (212)798-4081	Y	200	162	Under construction	Under construction	N
Federation Gould	Federation Gould Preservation LP (212)798-4081	Y	101	101	Under construction	Under construction	N
Colony Apartments	Colony Preservation LP (212)798-4081	Y	137	137	Under construction	Under construction	N
Clifton Place	Clifton Preservation Owner LLC (212)798-4081	Y	183	183	Under construction	Under construction	N
Owl's Nest Apartments	Owls Nest Preservation Owner LLC (212)798-4081	Y	260	229	Under construction	Under construction	N
Foresthill Terrace	Foresthill Preservation Owner LLC (212)798-4081	Y	420	388	Under construction	Under construction	N
Federation Davie Apartments	Federation Davie Preservation LP (212)798-4081	Y	80	80	Under construction	Under construction	N
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1st PAGE
TOTAL: 3,946 3,625 **LIHTC as % of**
 92% **Total Units**
 v.01.01.20

FAIRSTEAD OVERVIEW



// FAIRSTEAD

ABOUT FAIRSTEAD

Founded in 2014, Fairstead is a rapidly growing affordable and mixed-income multifamily housing developer. A leading national and vertically-integrated firm, Fairstead is home to 350 employees, and owns over 12,500 units in 14 states. Since inception, Fairstead has acquired, developed or preserved more than \$4 billion in assets comprised of over 16,000 units.

Fairstead's primary mission is to provide high quality housing to all regardless of income, and to make our stakeholders feel "Right at Home." We accomplish this through an empathetic and innovative approach, and by utilizing our interdisciplinary platform as an investor, developer, owner and operator. Fairstead provides hands-on expertise across all multifamily disciplines, including acquisitions, development, design, construction, energy, sustainability, property management and social services. With a long-term commitment to its residents, communities and partners, the Fairstead team stands out by:

- Listening to and understanding the needs of its residents, communities, partners and stakeholders alike
- Developing and preserving high quality affordable housing in an innovative and sustainable fashion
- Creating a positive social and environmental impact within the properties and communities it serves

OUR VERTICALLY-INTEGRATED PLATFORM



ACQUISITIONS &
DEVELOPMENT



DESIGN &
CONSTRUCTION



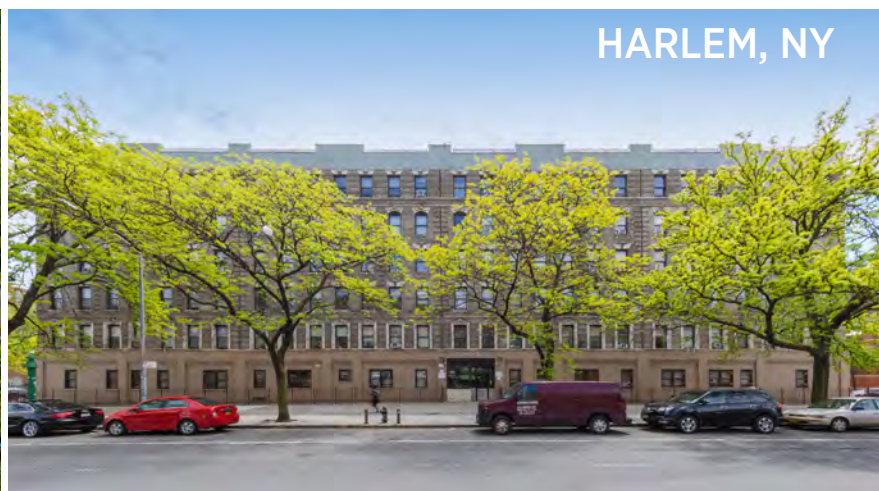
PROPERTY
MANAGEMENT



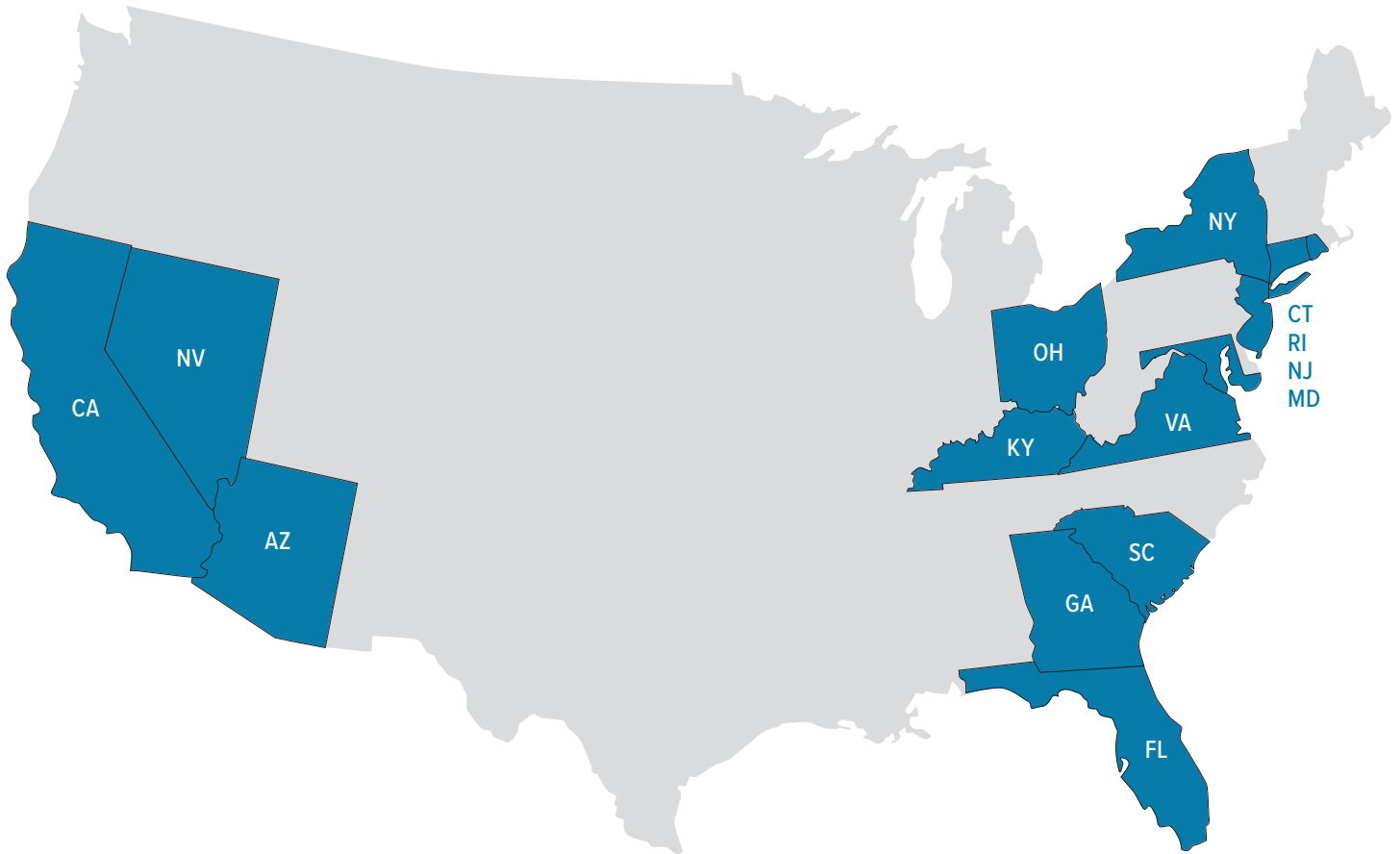
ENERGY &
SUSTAINABILITY



SOCIAL
SERVICES



OUR NATIONAL PRESENCE



14

STATES



\$4B+

ASSETS



12,500+

UNITS



350

PROFESSIONALS



90+

PROPERTIES

EMPATHY
INNOVATION
ENTREPRENEURSHIP
DETERMINATION
INTEGRITY
OUR CORE VALUES



REPRESENTATIVE PARTNERS LIST

NATIONAL/LOCAL PARTNERS



PRIVATE PARTNERS



COMPANY MILESTONES

2015

Portfolio of 1,000 units in New York City for \$700M in partnership with:



2017

403 units of affordable Project Based Section 8 properties in Brooklyn for \$110M



2019

760 Senior Section 8 units across South Florida preserved through 4% LIHTCs for \$265M



GP interests in 1,568-unit portfolio in 6 states from the Hampstead Cos. for \$160M



905 units of Project Based Section 8 across New York City for \$311M of FHA financing in partnership with HUD, HPD, Capital One, Truist and Greystone



2014

// FAIRSTEAD

founded

2016

1,802 unit mixed-income, workforce housing complex in Harlem for \$340M in partnership with:



102-unit Senior Section 8, LIHTC development (tenant-in-place rehab/seismic retrofit) in Oakland, CA in partnership with Citi and Aegon



2018

Portfolio of 4,263 affordable based Project Section 8 units across the United States for \$275M



“ AT FAIRSTEAD, WE GO
BEYOND THE STATUS QUO.
WE ARE
THOUGHTFUL,
PASSIONATE,
AND CUTTING EDGE.
WE CREATE AND PRESERVE
HIGH QUALITY HOUSING
THAT MAKES THE WORLD
A BETTER PLACE.

MULTIFAMILY EXPERTISE



ACQUISITIONS & DEVELOPMENT

Fairstead's Acquisitions and Development professionals specialize in sourcing, structuring and developing some of the industry's most unique and complicated deals across the country. Fairstead utilizes its entrepreneurial culture, strong balance sheet and deep-seated industry relationships to implement and execute innovative, value-add strategies across the board.

Fairstead is dedicated to the acquisition, development, rehabilitation and preservation of affordable and mixed-income housing. With in-house expertise, data-driven systems, and cutting-edge technology, Fairstead has successfully developed and preserved thousands of affordable homes and countless communities across the U.S.

A trusted institutional and community partner with a vertically integrated platform, Fairstead is currently active in 14 states and has diverse experience with various property types—from garden-style apartments and urban high-rises, to former public housing stock and ground-up developments.



HARLEM, NY



OAKLAND, CA



BROOKLYN, NY



RANCHO MIRAGE, CA



DESIGN & CONSTRUCTION

Using a holistic and innovative approach to scope development, team selection, bidding, and execution, Fairstead's Design and Construction team is led by experienced professionals with diverse backgrounds in architecture, engineering, design, and data science. Fairstead's Design and Construction professionals bring a progressive, forward thinking mindset fused with time tested strategies to successfully develop projects across the country.



PROPERTY MANAGEMENT

Fairstead Management provides services for Fairstead's affordable and mixed-income properties. A majority of the Fairstead portfolio consists of properties that have undergone significant in-unit and building-wide rehabilitation. The team specializes in improving and maintaining Fairstead communities through strengthening relationships with residents and other stakeholders that foster a safe, healthy, high quality living experience.



ENERGY & SUSTAINABILITY

Fairstead's Energy and Sustainability team utilizes a data-driven approach to implement impactful energy and sustainability strategies. The group's influence permeates all Fairstead departments, resulting in industry leading energy, water and carbon efficiency across the portfolio. Fairstead is committed to sustainability and its growing impact across the real estate industry. On average, Fairstead reduces energy consumption by 30% in three years.



SOCIAL SERVICES

Fairstead's Social Services' team provides, informs and educates residents of various community benefits, and facilitates positive community engagement. Fairstead Social Services maintains strong relationships with local non-profit and community organizations, and through these partnerships, Fairstead launches initiatives that enhance residents' wellbeing and further strengthens community in the neighborhoods we serve. Examples include: farmers markets, community gardens, employment resources, and food, education, and healthcare services.

FAIRSTEAD OFFICES

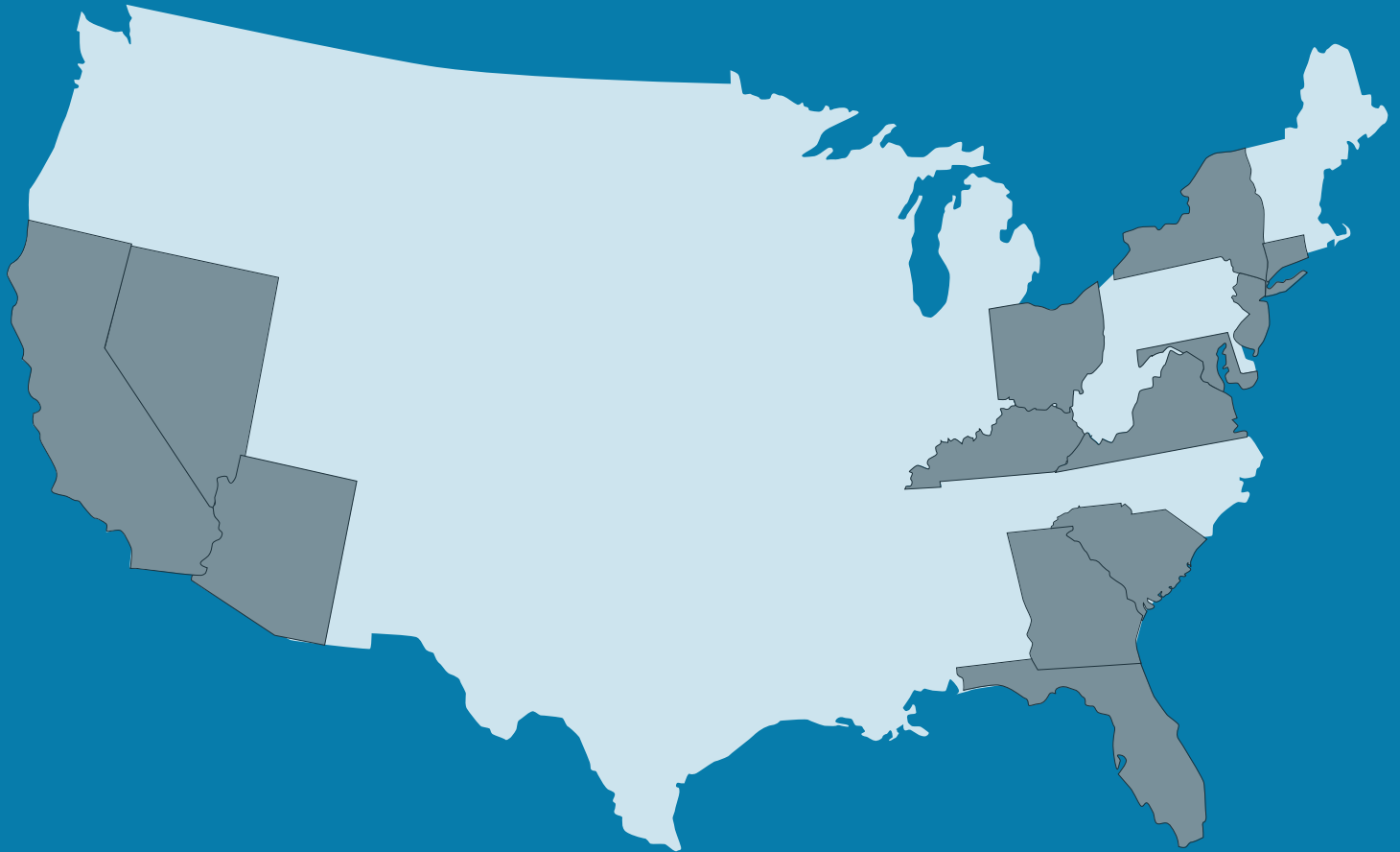
New York
250 W. 55th St.
35th Floor
New York, NY 10019

Maryland
4416 East West Highway
Suite 205
Bethesda, MD 20814

Florida
757 West Ave.
Miami Beach, FL 33139

FAIRSTEAD PORTFOLIO

Arizona	Kentucky	Ohio
California	Maryland	Rhode Island
Connecticut	New Jersey	South Carolina
Florida	Nevada	Virginia
Georgia	New York	



// FAIRSTEAD

www.fairstead.com

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

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of the 10th day of November, 2020 (the "Effective Date"), by and between CP ATLANTIC, L.P., a California limited partnership ("Seller") and FAIRSTEAD ACQUISITIONS LLC, a Delaware limited liability company ("Purchaser").

RECITALS

A. Seller owns the real estate located at 999 Atlantis Drive, Virginia Beach, Virginia 23451, as more particularly described in Exhibit A attached hereto and made a part hereof, and the improvements thereon, commonly known as Atlantis Apartments.

B. Purchaser desires to purchase, and Seller desires to sell, such land, improvements and certain associated property, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I DEFINED TERMS

Unless otherwise defined herein, any term with its initial letter capitalized in this Agreement shall have the meaning set forth in Schedule 1 attached hereto and made a part hereof.

ARTICLE II PURCHASE AND SALE AGREEMENT

2.1. **Purchase and Sale.** Seller agrees to sell and convey the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, subject to and in accordance with the terms and conditions set forth in this Agreement.

2.2. **Purchase Price and Down Payment.** The total purchase price (the "Purchase Price") for the Property shall be an amount equal to TWENTY-FOUR MILLION FIVE HUNDRED AND NO/100 DOLLARS (\$24,500,000), subject to the adjustments set forth herein. The Purchase Price will be solely payable by Purchaser as follows:

2.2.1 Purchaser shall deposit simultaneously with the execution and delivery of this Agreement by Purchaser, by wire transfer of immediately available federal funds to Safe Harbor Title Company (the "Escrow Agent" or the "Title Company"), an amount equal to TWO MILLION AND NO/100 DOLLARS (\$2,000,000) (the "Down Payment"). The Down Payment shall be held in escrow by Escrow Agent in a federally insured interest-bearing account in accordance with the provisions of this Agreement. Such Down Payment shall be nonrefundable to Purchaser except as expressly provided herein.

2.2.2 The balance of the Purchase Price for the Property shall be paid to and received by Escrow Agent by wire transfer of Down Payment on the Closing Date (defined below)

in order to permit Escrow Agent to disburse funds to Seller and Seller's lender, if any, for receipt on the Closing Date. No portion of the Purchase Price shall be allocated to any Personal Property included in the sale.

2.3. **Escrow Provisions for Down Payment.** Escrow Agent shall hold the Down Payment in an interest-bearing account and make delivery of the Down Payment to the party entitled thereto under the terms of this Agreement. Any and all interest and income earned on the Down Payment shall become part of the Down Payment and shall be remitted to the party entitled to the Down Payment pursuant to this Agreement.

2.3.2 Escrow Agent shall hold the Down Payment until the earlier occurrence of (i) the Closing Date, at which time the Down Payment shall be applied against the Purchase Price; (ii) the date on which Escrow Agent shall be authorized to disburse the Down Payment as set forth in Section 2.3.3; or (iii) such time as either party becomes entitled to receipt of the Down Payment under the terms of this Agreement. The tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

2.3.3 If, prior to the Closing Date, either party makes a written demand upon Escrow Agent for payment of the Down Payment, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within five (5) Business Days after the giving of the Escrow Agent's notice, Escrow Agent is hereby authorized to make such payment. If Escrow Agent does receive such written objection within such five (5) Business Day period, Escrow Agent shall continue to hold such amount until otherwise directed by joint written instructions from the parties to this Agreement or a final judgment or arbitrator's decision. However, Escrow Agent shall have the right at any time to deliver the Down Payment and interest thereon, if any, to a court of competent jurisdiction in the state in which the Property is located. Escrow Agent shall give written notice of such deposit to Seller and Purchaser. Upon such deposit, Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder. Notwithstanding anything to the contrary, except as provided in Section 9.2, the Down Payment shall become nonrefundable and, at Seller's option, may be released to the Seller upon receipt by Seller of the LP Consent (as hereinafter defined).

2.3.4 The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, and that Escrow Agent shall not be deemed to be the agent of either of the parties for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Agreement or involving gross negligence. Seller and Purchaser jointly and severally shall indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorney's fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Agreement or involving gross negligence on the part of the Escrow Agent.

2.3.5 The parties shall deliver to Escrow Agent an executed copy of this Agreement. Escrow Agent shall execute the signature page for Escrow Agent attached hereto which shall confirm Escrow Agent's agreement to comply with the terms of Seller's and Purchaser's separate closing instruction letters to be delivered at Closing and the provisions of this Section 2.3.

2.3.6 Escrow Agent, as the person responsible for closing the transaction within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the “Code”), shall file all necessary information, reports, returns, and statements regarding the transaction required by the Code including, but not limited to, the tax reports required pursuant to Section 6045 of the Code. Further, Escrow Agent agrees to indemnify and hold Purchaser, Seller, and their respective attorneys harmless from and against any Losses resulting from Escrow Agent's failure to file the reports Escrow Agent is required to file pursuant to this section.

2.4. **Indivisible Economic Package.** Except as may otherwise be expressly provided in this Agreement, Purchaser has no right or obligation to purchase or assume, and Seller has no obligation to sell or assign, less than all of the Interests.

ARTICLE III Property Inspections

3.1. **Property Inspections.** Subject to the terms of Sections 3.3 and 3.4 and the rights of Tenants under the Leases, Purchaser, and its agents, contractors, and employees (collectively, “Consultants”) shall, at no cost or expense to Seller, have the right from time to time to enter onto the Property to conduct and make any and all customary studies, tests, examinations, inquiries, inspections and investigations of or concerning the condition of the Property (collectively, the “Inspections”).

3.2. Intentionally omitted.

3.3. **Conduct of Due Diligence Examinations.** Purchaser shall at all times conduct its due diligence reviews, inspections and examinations in a manner so as to not cause liability, damage, lien, loss, cost or expense (other than normal and customary costs or expenses incurred by Seller in facilitating Purchaser’s due diligence investigations in accordance with the terms of this Agreement) to Seller or the Property and so as to not unreasonably interfere with or disturb any Tenant or Seller’s operation of the Property. Seller shall have the right, at Seller’s option, to cause a representative of Seller to be present at all inspections, reviews and examinations conducted hereunder. Purchaser shall schedule any entry (by it or its Consultants) onto the Property in writing and in advance with Seller, which shall be at least one (1) Business Day in advance and all such entries shall be during normal business hours on a Business Day. In the event of any termination hereunder, Purchaser shall return all Due Diligence Materials furnished by Seller hereunder, and at Seller’s written request, Purchaser shall, at no cost to Seller, promptly deliver to Seller true, accurate and complete copies of any written reports relating to the Property prepared for or on behalf of Purchaser by its Consultants. In connection with any permitted testing, sampling or other work performed hereunder, Purchaser shall promptly dispose of (or cause to be disposed of), at its sole cost in accordance with all applicable Laws, any waste, samples or other materials generated or removed by Purchaser or by its Consultants arising from or in connection with the investigations, samplings or testing hereunder. Purchaser shall promptly pay when due the costs of all entry and inspections and examinations done of the Property and repair and/or restore the Property to the condition in which the same were found before any such entry upon the Property and inspection or examination was undertaken. Purchaser shall not permit any mechanics’ or other liens to be filed against the Property as a result of labor or materials furnished in connection with its due diligence. This Section shall survive any termination of this Agreement.

3.3.1 Notwithstanding anything in this Agreement to the contrary, Purchaser shall not be permitted to perform any invasive tests on the Property without Seller's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. If Purchaser desires to perform any invasive tests, Purchaser shall give prior written notice thereof to Seller, which notice shall be accompanied by a reasonably detailed description of the invasive tests Purchaser desires to perform. Purchaser shall use reasonable efforts to minimize disruption to Tenants in connection with Purchaser's or its Consultants' activities pursuant to this Section. No consent by Seller to any such activity shall be deemed to constitute a waiver by Seller or assumption of liability or risk by Seller.

3.3.2 Purchaser shall maintain (a) casualty insurance and commercial general liability insurance with combined single limits of not less than Two Million (\$2,000,000) Dollars for injury or death to any person or persons and/or with respect to property damage, and (b) worker's compensation insurance for all of their respective employees in accordance with the law of the state in which the Property is located. Seller acknowledges that Purchaser has delivered to Seller proof of the insurance coverage required of Purchaser pursuant to this Section to Seller (in the form of a certificate of insurance) prior to Purchaser's or Purchaser's Consultants' entry onto the Property and Purchaser shall cause Seller and Michaels Management-Affordable, LLC ("MMA") to be named as an additional insureds on the commercial general liability insurance required of Purchaser.

3.4. **Due Diligence Indemnity.** TO THE GREATEST EXTENT PERMITTED BY LAW, PURCHASER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS SELLER AND THE TENANTS FROM AND AGAINST ALL LOSSES (WHETHER ARISING OUT OF INJURY OR DEATH TO PERSONS, DAMAGE TO THE PROPERTY THE DISCLOSURE OF CONFIDENTIAL INFORMATION, OR OTHERWISE) INCLUDING, BUT NOT LIMITED TO, COSTS OF REMEDIATION, RESTORATION AND OTHER SIMILAR ACTIVITIES, MECHANIC'S AND MATERIALMEN'S LIENS AND ATTORNEYS' FEES, ARISING OUT OF OR IN CONNECTION WITH PURCHASER'S DUE DILIGENCE, PURCHASER'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE III OR PURCHASER'S OR ANY OF ITS LICENSEE PARTIES' ENTRY UPON THE PROPERTY; *PROVIDED, HOWEVER*, THAT PURCHASER SHALL NOT BE LIABLE FOR ANY DAMAGES INCURRED BY SELLER RESULTING FROM THE MERE DISCOVERY BY PURCHASER OF A PRE-EXISTING CONDITION AT OR WITH REGARD TO THE PROPERTY; *PROVIDED, HOWEVER*, THAT IF PURCHASER PROCEEDS WITH THE ACQUISITION OF THE PROPERTY, THEN PURCHASER SHALL ACCEPT THE PROPERTY WITH ANY SUCH PRE-EXISTING CONDITIONS AND ASSUME ALL LIABILITIES ASSOCIATED THEREWITH. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR, IF THE PURCHASE AND SALE IS NOT CONSUMMATED, ANY TERMINATION OF THIS AGREEMENT

3.5. **Property Contracts.** On or before the date that is forty-five (45) days prior to the Closing Date (the "Terminated Contracts Date"), Purchaser may deliver written notice to Seller (the "Property Contracts Notice") specifying any Property Contracts which Purchaser desires to terminate at the Closing (the "Terminated Contracts"); provided that (a) the effective date of such termination on or after Closing shall be subject to the express terms of such Terminated Contracts, (b) if any such Property Contract cannot by its terms be terminated at Closing, it shall be assumed

by Purchaser and not be a Terminated Contract, and (c) to the extent that any such Terminated Contract requires payment of a penalty, premium, or damages, including liquidated damages, for cancellation, Purchaser shall be solely responsible for the payment of any such cancellation fees, penalties, or damages, including liquidated damages. If Purchaser fails to deliver the Property Contracts Notice on or before the expiration of the Terminated Contracts Date, then there shall be no Terminated Contracts and Purchaser shall assume all Property Contracts at the Closing. Notwithstanding the foregoing, Purchaser shall not assume any Property Contracts that cover other apartment communities under management by Seller's property management company in addition to the Property (i.e. master contracts). If Purchaser delivers the Property Contracts Notice to Seller on or before the expiration of the Terminated Contracts Date, then, at the Closing, Seller shall deliver to all applicable vendors a vendor termination notice for each Terminated Contract informing such vendor(s) of the termination of such Terminated Contract as of the Closing Date (subject to any delay in the effectiveness of such termination pursuant to the express terms of each applicable Terminated Contract) (the "Vendor Terminations"). To the extent that any Property Contract to be assigned to Purchaser requires vendor consent, then, prior to the Closing, Seller shall work in good faith to obtain from each applicable vendor a consent (each a "Required Assignment Consent") to such assignment.

ARTICLE IV TITLE

4.1. **Title Documents.** No later than ten (10) Business Days following the Effective Date, Purchaser shall order a commitment (as updated, supplemented, and/or replaced, by the Title Company, the "Title Commitment") for a standard ALTA owner's title insurance policy for the Land and Improvements, using the current policy jacket customarily provided by the Title Company (the "Title Policy"), and shall deliver a copy of same to Seller upon receipt, together with copies of all instruments identified as exceptions therein (together with the Title Commitment, referred to herein as the "Title Documents"). Purchaser shall be responsible for payment of any premiums for the Title Policy, any loan policy, all endorsements and any other costs related to title insurance. It is understood that Purchaser may request a number of endorsements to its title policy and the issuance of such endorsements shall not be a condition to Closing.

4.2. **Survey.** Prior to the Effective Date, Seller shall provide to Purchaser a copy of any ALTA title survey of the Property that Seller may have in its possession or reasonable control (the "Existing Survey"). Purchaser may, at its sole cost and expense, order a new or updated survey (the "Updated Survey") of the Property (such new or updated survey together with the Existing Survey, is referred to herein as the "Surveys"). Prior to Closing, the draft survey shall be updated to meet any additional specifications requested by Purchaser or its lender, and Purchaser shall pay for the Survey at or before Closing.

4.3. **Status of Title.**

4.3.1 Seller covenants and agrees that all liens and exceptions to Seller's title to the Property which can be removed or discharged by the payment of money, including, without limitation, judgment liens, mortgages, mechanics' liens and delinquent taxes or taxes which are otherwise due and payable on or before Closing, shall be removed by Seller at or before Closing.

4.3.2 It shall be a condition to Purchaser's obligation to close this transaction that at Closing, the Title Company shall deliver to Purchaser an ALTA owner's title insurance policy with extended coverage, which title policy shall (i) be effective and enforceable as of the Closing, (ii) insure Purchaser in the full amount of the Purchase Price, (iii) contain only the Permitted Exceptions (as defined below), and (iv) provide that its effective date and time is the date and time of recording of the Deed (as defined in Section 5.2.1 below).

4.4. **Permitted Exceptions.** The Deed (defined herein) delivered pursuant to this Agreement shall be subject to the following, all of which shall be deemed "**Permitted Exceptions**":

4.4.1 Subject to Section 4.3, all matters shown in the Title Documents and the Survey, other than the standard exception pertaining to taxes, which shall be limited to taxes and assessments payable in the year in which the Closing occurs and subsequent taxes and assessments;

4.4.2 Such other exceptions as the Title Company shall commit to omit or insure over, whether such insurance is made available in consideration of payment, bonding, indemnity of Seller or otherwise (subject to the terms of this Agreement);

4.4.3 All Leases for Tenants;

4.4.4 Governmental Regulations; and

4.4.5 Any defects in or objections to title to the Property, or title exceptions or encumbrances, arising by, through or under Purchaser.

4.5. **HUD Approval.**

4.5.1 Purchaser acknowledges that the Project is subject to a Housing Assistance Payment Contract ("**HAP Contract**") with United States Department of Housing and Urban Development ("**HUD**"). Prior to the Effective Date, Seller agrees that it will make available to Purchaser (in the same manner in which Seller is permitted to make the Due Diligence Materials available to Purchaser under Schedule 2) copies of the HAP Contract and any other agreements HUD that will continue to bind the Property or Purchaser after Closing, which are in Seller's possession or reasonable control. To the extent necessary and reasonable, Seller will provide authorization to HUD to release to Purchaser copies of the HAP Contract, and other agreements with HUD for Purchaser's reference in connection with obtaining the approval of HUD to the HAP Assumption (defined below) (the "**HAP Assumption Approval**").

4.5.2 Purchaser and Seller agree that, at the Closing, the parties hereto intend for HUD to approve the assumption by Purchaser and the release of Seller from any further obligations under the HAP Contract using a HUD-approved form of Assignment, Assumption and Amendment Agreement Section 8 Housing Assistance Payment Contract (the "**HAP Assumption**").

4.5.3 Purchaser, at its sole cost and expense, shall submit a complete application to all applicable HUD offices for HAP Assumption Approval, (the "**HUD Application**") within forty five (45) days after the Effective Date and provide evidence of such application to Seller,

time being of the essence (the "HAP Submittal Deadline"). Purchaser shall diligently pursue the HAP Assumption Approval, and provide Seller with monthly updates regarding Purchaser's progress.

4.5.4 Purchaser agrees promptly to deliver to HUD all documents and information required in order to obtain the HUD HAP Assumption Approval, and such other information or documentation as HUD reasonably may request. Seller agrees that it will cooperate with Purchaser and HUD, at no cost or expense to Seller, in connection with Purchaser's application for the HAP Assumption Approval.

4.5.5 At Closing, all reserves and other accounts Seller maintains or causes to be maintained in connection with the HAP Contract will be released to Seller. If HUD or any third party will not release the reserves and any other accounts maintained in connection with the HAP Contract, then such reserves and/or accounts will be transferred and assigned to Purchaser and the Seller will receive a credit equal to the amount of reserves and/or accounts transferred and assigned.

4.5.6 Purchaser shall pay all fees and expenses (including, without limitation, transfer fees, assumption fees, application fees, title fees, endorsement fees, inspection fees and other fees) imposed or charged by the HUD in connection with the HAP Assumption Approval.

4.6. **Virginia Housing Approval.** If necessary, Purchaser shall have obtained the written consent and/or approval of Virginia Housing ("Virginia Housing") to Purchaser's acquisition of the Property (the "VH Consent"; collectively with the HAP Assumption Approval, the "Required Approvals"). Purchaser shall apply for the VH Consent, if required, within thirty (30) days after the Effective Date and provide evidence of such application to Seller, time being of the essence. Purchaser shall diligently pursue the VH Consent, if required and provide Seller with monthly updates regarding Purchaser's progress.

ARTICLE V CLOSING

5.1. **Closing Date.** The Closing shall occur on the date (the "Closing Date") that is one hundred eighty (180) days following the Effective Date; *provided, however,* that Purchaser shall have the right to extend the Closing Date for two (2) additional periods of thirty (30) days each by (i) delivering written notice thereof to Seller no later than five (5) Business Days prior to the originally intended Closing Date and (ii) delivering into escrow with the Escrow Agent an additional down payment of One Hundred Thousand and No/100 Dollars (\$100,000.00) (each an "Additional Down Payment"). The Additional Down Payments shall each be deemed to be a part of the "Down Payment" and accordingly shall be non-refundable (except to the extent provided in this Agreement, including but not limited to Section 9.2) and applicable against the Purchase Price at Closing and, so long as Seller is not in default under this Agreement, at Seller's option, may be released to the Seller, provided that Seller has previously received the LP Consent. Each of the Additional Down Payments shall be held by the Escrow Agent in accordance with Section 2. The Closing shall be conducted through an escrow with Escrow Agent, whereby Seller, Purchaser and their attorneys need not be physically present at the Closing and may deliver documents by overnight air courier, electronic transmission or other applicable means.

5.2. **Seller Closing Deliveries.** No later than five (5) Business Days prior to the Closing Date, Seller shall deliver to Escrow Agent, each of the following items (provided, however, that the failure to deliver the following items five (5) Business Days prior to the Closing shall not constitute a default under Article IX if such items are delivered to the Escrow Agent either (a) no later than 2:00 p.m. on the Closing Date or (b) at such time otherwise acceptable to Title Agent to permit the Closing and funding to occur on the Closing Date in accordance with the terms and provisions of this Agreement):

5.2.1 Special Warranty Deed (the “Deed”) in the form attached as Exhibit B to Purchaser, subject only to the Permitted Exceptions.

5.2.2 A Bill of Sale in the form attached as Exhibit C.

5.2.3 A General Assignment in the form attached as Exhibit D (the “General Assignment”).

5.2.4 An Assignment of Leases and Security Deposits in the form attached as Exhibit E (the “Leases Assignment”).

5.2.5 Seller's closing statement.

5.2.6 An owner’s affidavit and gap affidavit which is sufficient to enable Title Company to delete the standard pre-printed exceptions to the title insurance policy to be issued pursuant to the Title Commitment (other than the so-called “survey exception”).

5.2.7 A certification of Seller's non-foreign status pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended.

5.2.8 Resolutions, certificates of good standing, and such other organizational documents as Title Company shall reasonably require evidencing Seller's authority to consummate this transaction.

5.2.9 A copy of the most recent rent roll for the Property provided to Seller by its property management company and relied on by Seller for internal administration and accounting purposes, but provided without representation or warranty.

5.2.10 Notification letters to all Tenants prepared and executed by Seller, which shall be delivered to all Tenants by Purchaser immediately after Closing.

5.2.11 A countersigned counterpart of the Assignment of HAP Contract or other documents that may be required by HUD in connection with the HUD HAP Assumption Approval.

5.2.12 All documents that may be reasonably required by Virginia Housing in connection with the VH Consent.

5.3. **Purchaser Closing Deliveries.** No later than one (1) Business Day prior to the Closing Date (except for the balance of the Purchase Price which is to be delivered at the time specified in Section 2.2.3), Purchaser shall deliver to the Escrow Agent (for disbursement to Seller

upon the Closing) the following items (provided, however, that the failure to deliver the following items one (1) Business Day prior to the Closing shall not constitute a default under Article IX if such items are delivered to the Escrow Agent either (a) no later than 2:00 p.m. on the Closing Date or (b) at such time otherwise acceptable to Title Agent to permit the Closing and funding to occur on the Closing Date in accordance with the terms and provisions of this Agreement): The full Purchase Price (with credit for the Down Payment), plus or minus the adjustments or prorations required by this Agreement.

5.3.2 Purchaser's closing statement.

5.3.3 A countersigned counterpart of the General Assignment.

5.3.4 A countersigned counterpart of the Leases Assignment.

5.3.5 A countersigned counterpart of the Assignment of HAP Contract or other documents that may be required by HUD in connection with the HUD HAP Assumption Approval.

5.3.6 All documents that may be required by Virginia Housing in connection with the VH Consent.

5.3.7 Resolutions, certificates of good standing, and such other organizational documents as Title Company shall reasonably require evidencing Purchaser's authority to consummate this transaction.

5.3.8 Such other documents as are reasonably necessary to consummate the transactions herein contemplated in accordance with the terms of this Agreement.

5.4. Closing Prorations and Adjustments.

5.4.1 **General.** All normal and customarily pro-ration items, including, without limitation, collected rents, operating expenses, personal property taxes, other operating expenses and fees, shall be prorated as of the Closing Date, Seller being charged or credited, as appropriate, for all of same attributable to the period up to the Closing Date (and credited for any amounts paid by Seller attributable to the period on or after the Closing Date, if assumed by Purchaser) and Purchaser being responsible for, and credited or charged, as the case may be, for all of the same attributable to the period on and after the Closing Date. Seller shall prepare a proration schedule (the "**Proration Schedule**") of the adjustments described in this Section 5.4 prior to Closing. Seller shall provide a draft of the Proration Schedule to Purchaser no later than five (5) Business Days prior to Closing, and the Proration Schedule shall be subject to Purchaser's reasonable approval prior to any prorations being deemed final at or prior to Closing.

5.4.2 **Operating Expenses.** All of the operating, maintenance, taxes (other than real estate taxes), and other expenses incurred in operating the Property that Seller customarily pays, and any other costs incurred in the ordinary course of business for the management and operation of the Property, shall be prorated on an accrual basis. Seller shall pay all such expenses that accrue on and prior to the Closing Date and Purchaser shall pay all such expenses that accrue after the Closing Date.

5.4.3 **Utilities.** The final readings and final billings for utilities will be made, if possible, as of the Closing Date, in which case Seller shall pay all such bills as of the Closing Date and no proration shall be made at the Closing with respect to utility bills. Otherwise, a proration shall be made based upon the parties' reasonable good faith estimate, subject to adjustment upon receipt of the actual final billings. Seller shall be entitled to the return of any deposit(s) posted by it with any utility company, and Seller shall notify each utility company serving the Property to terminate Seller's account, effective as of noon on the Closing Date.

5.4.4 **Real Estate Taxes.** Seller shall be responsible for and shall pay all real estate taxes assessed and accrued for the period prior to Closing, including taxes assessed for the current tax year of July 1, 2020-June 30, 2021, all prior years, and a prorated portion of the taxes and assessments due for the current tax period, prorated through the Closing Date. Any taxes unpaid by Seller assessed for the period of time prior to the Closing regardless of whether the same are due and payable at the time of Closing shall be allowed to Purchaser as a credit at Closing. If the actual tax rate or assessed value is not known on the Closing Date, the taxes shall be prorated based upon applying the tax rate for the preceding year to the latest assessed valuation, and such proration shall be final and, notwithstanding anything contained in this Agreement to the contrary, shall not be re-prorated post-Closing. If, as a result of any reassessment, tax protest, or otherwise, any refund or reduction of any real property or other tax or assessment relating to the Property during the period for which, under the terms of this Agreement, Seller is responsible, Seller shall be entitled to receive or retain such refund or the benefit or such reduction, less equitable prorated costs of collection. Seller shall retain the right to appeal any taxes attributable to any year during which it owned the Property. If any of the same have not been finally assessed, as of the date of Closing for the year in which Closing occurs, then the same shall be adjusted at Closing based upon the most recently issued bills therefor, and shall be re-adjusted immediately when and if final bills are issued.

5.4.5 **Property Contracts.** Purchaser shall assume at Closing the obligations accruing on or after Closing under the Property Contracts assumed by Purchaser; *provided, however,* operating expenses shall be prorated under Section 5.4.2.

5.4.6 **Leases.**

5.4.6.1 All collected rent (whether fixed monthly rentals, additional rentals, escalation rentals, retroactive rentals, operating cost pass-throughs or other sums and charges payable by Tenants under the Leases), income and expenses from any portion of the Property shall be prorated as of the Closing Date. Purchaser shall receive all collected rent and income attributable to dates after the Closing Date. Seller shall receive all collected rent and income attributable to dates on and prior to the Closing Date. Notwithstanding the foregoing, no prorations shall be made in relation to either (a) non-delinquent rents which have not been collected as of the Closing Date, or (b) delinquent rents existing, if any, as of the Closing Date (the foregoing (a) and (b) referred to herein as the "Uncollected Rents"). In adjusting for Uncollected Rents, no adjustments shall be made in Seller's favor for rents which have accrued and are unpaid as of the Closing, but Purchaser shall pay Seller such accrued Uncollected Rents as and when collected by Purchaser. Purchaser agrees to bill Tenants of the Property for all Uncollected Rents and to take commercially reasonable actions to collect Uncollected Rents. Purchaser's collection of rents shall

be applied, first, towards current rent due and owing under the Leases, and second, to Uncollected Rents. In no event shall Seller seek to evict any Tenants in any action to collect Uncollected Rents.

5.4.6.2 All Tenant Deposits in the possession or control of Seller or that are required by any Leases or HUD (together with any interest accrued thereon if interest is specifically required to be paid thereon under applicable law or the terms of the Lease) at Purchaser's option shall either be (a) transferred to Purchaser at Closing, or (b) Purchaser shall receive a credit against the Purchase Price in an amount equal to the received and unapplied balance of all cash (or cash equivalent) Tenant Deposits, including, but not limited to, security, damage or other refundable deposits paid by any of the Tenants to secure their respective obligations under the Leases, together, in all cases, with any interest payable to the Tenants thereunder as may be required by their respective Tenant Lease or state law (the "**Tenant Security Deposit Balance**"). Any cash (or cash equivalents) held by Seller which constitutes the Tenant Security Deposit Balance shall be retained by Seller in exchange for the foregoing credit against the Purchase Price and shall not be transferred by Seller pursuant to this Agreement (or any of the documents delivered at Closing), but the obligation with respect to the Tenant Security Deposit Balance nonetheless shall be assumed by Purchaser. The Tenant Security Deposit Balance shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

5.4.7 **Insurance**. No proration shall be made in relation to insurance premiums which will not be assigned to Purchaser and insurance policies that will not be assigned to Purchaser. Seller shall have the risk of loss of the Property until Closing, after which time the risk of loss shall pass to Purchaser and Purchaser shall be responsible for obtaining its own insurance thereafter.

5.4.8 **Employees**. All of Seller's and Seller's manager's on-site employees shall have their employment at the Property terminated as of the Closing Date; provided, however, that Purchaser may interview and offer employment to on-site employees, but may not do so earlier than thirty (30) days prior to Closing.

5.4.9 **Closing Costs**. Purchaser shall pay (a) the costs of title searches and the premiums for the Title Policy issued pursuant to Section 4.1, (b) the cost of the Updated Survey and any revisions to the Updated Survey requested by Purchaser or its lender, (c) the Virginia grantee recording tax and all other fees for recording the Deed, other than the Virginia grantor's tax and Hampton Roads regional transportation improvement fee, (d) the costs of obtaining any financing and the recording fees and taxes on the deed of trust and any other loan documents, (e) the costs of any other due diligence inspections conducted by Purchaser, and (f) one-half of the customary closing costs of the Escrow Agent. Seller shall pay (i) the Virginia grantor's tax and Hampton Roads regional transportation improvement fee, (ii) the cost of recording any instruments required to discharge any liens or encumbrances against the Property, (iii) any prepayment penalties and costs associated with prepayment of the mortgage loan encumbering the Property, (iv) the commission payable to the Broker, and (v) and one-half of the customary closing costs of the Escrow Agent. Any other closing costs shall be allocated in accordance with local custom. Except as otherwise expressly provided in this Agreement, each party shall pay the fees of its own attorneys, accountants and other professionals.

5.4.10 **Possession.** Possession of the Property, subject to the Leases, Property Contracts, other than Terminated Contracts, and Permitted Exceptions, shall be delivered to Purchaser at the Closing upon release from escrow of all items to be delivered by Purchaser pursuant to Section 5.3. To the extent reasonably available to Seller, originals or copies of the Leases and Property Contracts, lease files, warranties, guaranties, operating manuals, keys to the property, and Seller's books and records (other than proprietary information) (collectively, "Seller's Property-Related Files and Records") regarding the Property shall be made available to Purchaser at the Property after the Closing.

5.5. **Post Closing Adjustments.** Except as otherwise provided herein, Purchaser or Seller may request that Purchaser and Seller undertake to re-adjust any item on the Proration Schedule (or any item omitted therefrom); provided, however, that neither party shall have any obligation to re-adjust any items after the expiration of three (3) months after Closing.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

6.1. **Seller's Representations.** Seller represents and warrants to Purchaser, the following (collectively, the "Seller's Representations") as of the Effective Date and as of the Closing Date (with the obligation to update the same as set forth in this Agreement); provided that Purchaser's remedies if any such Seller's Representations are untrue as of the Closing Date are limited to those set forth in Section 8.1:

6.1.1 Seller is validly existing and in good standing under the laws of the state of its formation set forth in the initial paragraph of this Agreement; and has the entity power and, subject to obtaining the LP Consent, the authority to sell and convey the Property and to execute the documents to be executed by Seller and prior to the Closing will have taken as applicable, all corporate, partnership, limited liability company or equivalent entity actions required for the execution and delivery of this Agreement, and the consummation of the transactions contemplated by this Agreement. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Seller is a party or by which Seller is otherwise bound, which conflict, breach or default would have a material adverse effect on Seller's ability to consummate the transaction contemplated by this Agreement or on the Property. This Agreement and the transaction contemplated herein (a) does not, and at the time of Closing will not, violate any provision of any judicial order to which Seller is a party or to which Seller is subject. This Agreement is a valid and binding agreement against Seller in accordance with its terms;

6.1.2 Seller is not a "foreign person," as that term is used and defined in the Internal Revenue Code, Section 1445, as amended;

6.1.3 Except for (a) any actions by Seller to evict Tenants under the Leases, and (b) any matter reasonably expected to be covered by Seller's current insurance policy(ies), to Seller's knowledge, there are no material actions, proceedings, litigation or governmental investigations or condemnation actions either pending or threatened against the Property which will adversely impact Seller's ability to convey the Property;

6.1.4 Seller has not received any written notice from a governmental agency of any uncured violations of any federal, state, county or municipal law, ordinance, order, regulation or requirement affecting the Property;

6.1.5 there is no pending, or to Seller's knowledge threatened, litigation, condemnation, investigation or other legal proceeding affecting the Property or any portion thereof or Seller, and there are no actions, suits, proceedings, orders, administrative proceedings or investigations pending, or to Seller's knowledge threatened, against or affecting the Property or any portion thereof, or Seller, which would affect Purchaser or the Property after the Closing.

6.1.6 with the exception of the Required Approvals, Seller is not aware of any other consents, waivers or approvals required as a condition to the transfer of the Property to Purchaser and to the performance of all other obligations required of Seller under the terms of this Agreement

6.1.7 All sums payable by reason of any labor or materials heretofore furnished with respect to the Property have been, or in the ordinary course of the Closing, will be paid, and Seller has no knowledge of any dispute in connection with any such sums so payable;

6.1.8 Except with respect to the HAP Contract and any recorded restrictive covenants imposed by Virginia Housing (formerly known as Virginia Housing and Development Authority) that would be revealed in a title search, Seller has not entered into any written agreement with any Authority that would limit the rents or other amounts that the owner of the Property can charge tenants under leases of the Property, and no such agreement or restrictive covenant exists which is in force or effect with respect to the Property.

6.1.9 Seller has not received any written notice of any material default by Seller under any of the Property Contracts that will not be terminated on the Closing Date;

6.1.10 To Seller's knowledge, any rent roll provided by Seller to Purchaser (as updated pursuant to Section 5.2.9) is accurate in all material respects; and

6.1.11 Except as provided in the environmental reports listed on Schedule 6.1.11, to Seller's knowledge, (a) no hazardous or toxic materials or other substances regulated by applicable federal or state environmental laws have been stored by any party or are stored by Seller, or have been located by Seller or any party, on, in or under the Property in quantities which violate applicable laws governing such materials or substances and (b) the Property is not used, and has not been used, by Seller or any other parties for the storage, treatment, generation or manufacture of any hazardous or toxic materials or other substances in a manner which would constitute a violation of applicable federal or state environmental laws.

6.1.12 To Seller's knowledge, (a) Seller has performed all of its material obligations under the Leases, (b) all of the Leases are valid and in full force and effect in accordance with their respective terms and (c) all occupied units on the Premises are subject to written leases, except as otherwise noted on any rent roll provided by Seller to Purchaser (as defined herein). Seller is the landlord under each of the Leases and has the full power and authority to assign same without obtaining the consent of any third party including, without limitation, the tenant thereunder. None of the Leases grants any rights to purchase any part of the Premises and

there are or will be no brokerage commissions due in connection with any Lease after Closing. Except as shown on any rent roll provided by Seller to Purchaser, there are no rent concessions under the Leases (other than upfront concessions that have no impact on rents due for periods after the Closing Date) and, none of the Tenant Leases contain options to renew (other than holdover provisions), none of the Leases and none of the rents or other amounts payable thereunder have been assigned, pledged or encumbered other than to the holders of any existing loan documents reflected in the Title Commitment, except as any of the foregoing may be listed on the rent roll. To Seller's knowledge, no material default exists or remains unremedied on the part of Seller as landlord and all deposits (including Tenant Deposits) set forth on any rent roll provided by Seller to Purchaser have been collected by Seller subject to Seller's rights in the event of a tenant default to use such deposits pursuant to the terms of the Leases and are being held in accordance with Virginia law. Any interest on said deposits owed to Tenants shall, at Purchaser's option, be paid to the Tenants or credited to Purchaser. No other party has the option to purchase the Property (or a portion thereof), pursuant to a lease or otherwise.

6.1.13 To Seller's knowledge, the Property Contracts are in full force and effect and Seller has performed all of its material obligations under the Property Contracts. To Seller's knowledge, each of the Property Contracts is valid and in full force and effect and no material default exists under the Property Contracts, nor has any event occurred, which with the passage of time or the giving of notice or both would constitute a material default under any of the Property Contracts.

6.1.14 Seller is the owner of the Permits, Licenses, and Miscellaneous Property free and clean of all liens, encumbrances and security interests other than the security interest granted in connection with the existing or future deed of trust loan which Seller shall satisfy by the Closing Date.

6.1.15 Seller has no threatened, pending or actual (i) general assignments for the benefit of creditors, (ii) voluntary petitions in bankruptcy or involuntary petitions by Seller's creditors, (iii) appointments of a receiver to take possession of all or substantially all of Seller's assets, (iv) attachments or other judicial seizure of all, or substantially all, of Seller's assets, (v) inability to pay its debts as they come due, (vi) offers of settlement, extension or composition to its creditors generally, (vii) uncured non-compliance issues with any governmental or regulatory authority; or (viii) uncured IRS Form 8823s. Seller is not insolvent and will not become insolvent as a result of entering into and consummating this Agreement and the sale of the Property, including the Leases and Contracts, and the obligations in accordance with the terms hereof, nor are the transfers to be made hereunder or obligations incurred in connection herewith made or incurred by Seller with any intent to hinder, delay or defraud any creditors to which Seller is or becomes indebted. Seller is not engaged in business or any transactions, including the transactions contemplated hereunder, or about to engage in any business or transactions, for which any remaining property of Seller is unreasonably small capital, nor does Seller intend to incur or believe that it will incur, debts that would be beyond its ability to pay as such debts matured. Seller acknowledges that it is receiving new, fair, reasonably equivalent value in exchange for the transfers and obligations contemplated by this Agreement.

6.2. **AS-IS.** Except for Seller's Representations, made as of the Effective Date, as may be updated and as of the Closing Date, the Property is expressly purchased and sold "AS IS,"

“WHERE IS,” and “WITH ALL FAULTS.” The Purchase Price and the terms and conditions set forth herein are the result of arm's-length bargaining between entities familiar with transactions of this kind, and said price, terms and conditions reflect the fact that Purchaser shall have the benefit of, and is not relying upon, any information provided by Seller or Broker or statements, representations or warranties, express or implied, made by or enforceable directly against Seller or Broker, including, without limitation, any relating to the value of the Property, the physical or environmental condition of the Property, any state, federal, county or local law, ordinance, order or permit; or the suitability, compliance or lack of compliance of the Property with any regulation, or any other attribute or matter of or relating to the Property (other than any covenants of title contained in the Deed conveying the Property and Seller's Representations). Purchaser agrees that Seller shall not be responsible or liable to Purchaser for any defects or on account of any conditions affecting the Property, except as otherwise stated in Seller's Representations. Purchaser, its successors and assigns, and anyone claiming by, through or under Purchaser, hereby fully releases each of Seller and any manager, member or partner of Seller, or by any real estate brokers, members, partners, agents, representatives, trustees, affiliates, directors, officers, shareholders, employees, servants or agents of any of the foregoing, or other persons or entities acting on behalf of Seller or at Seller's request (the “Seller's Indemnified Parties”) from, and irrevocably waives its right to maintain, any and all claims and causes of action that it or they may now have or hereafter acquire against Seller's Indemnified Parties with respect to any and all Losses arising from or related to any defects, errors, omissions or other conditions affecting the Property. Purchaser represents and warrants that, as of the date hereof and as of the Closing Date, it has and shall have reviewed and conducted such independent analyses, studies (including, without limitation, environmental studies and analyses concerning the presence of lead, asbestos, water intrusion and/or fungal growth and any resulting damage, PCBs, radon or any other Hazardous Materials in and about the Property), reports, investigations and inspections as it deems appropriate in connection with the Property. Purchaser acknowledges and agrees that, except as otherwise stated in Seller's Representations, no representation has been made and no responsibility is assumed by Seller with respect to current and future applicable zoning or building code requirements or the compliance of the Property with any other laws, rules, ordinances or regulations, the financial earning capacity or expense history of the Property, the continuation of contracts, continued occupancy levels of the Property, or any part thereof, or the continued occupancy by tenants of any Leases or, without limiting any of the foregoing, occupancy at Closing. Prior to Closing, Seller shall have the right, but not the obligation, to enforce its rights against any and all Property occupants, guests or tenants in accordance with its standard practices. Except as otherwise provided by this Agreement, Purchaser agrees that the departure or removal, prior to Closing, of any of such guests, occupants or tenants shall not be the basis for, nor shall it give rise to, any claim on the part of Purchaser, nor shall it affect the obligations of Purchaser under this Agreement in any manner whatsoever, except to the extent the foregoing was in contravention of the respective Lease; and Purchaser shall close title and accept delivery of the Deed with or without such tenants in possession and without any allowance or reduction in the Purchase Price under this Agreement.

6.3. **Survival of Seller's Representations.** Seller and Purchaser agree that Seller's Representations shall survive Closing for a period of six (6) months (the “Survival Period”). Seller shall have no liability after the Survival Period with respect to Seller's Representations contained herein except to the extent that Purchaser has delivered written notice of an alleged breach to Seller during the Survival Period for breach of any of Seller's Representations. Except for breaches of Seller's Representations which are limited to Seller's knowledge, Seller not be liable to Purchaser

for more than \$150,000 in any individual instance or in the aggregate for all breaches of Seller's Representations. In the event that Seller breaches any representation contained in Section 6.1 and Purchaser had knowledge of such breach prior to the Closing Date, and elected to close regardless, Purchaser shall be deemed to have waived any right of recovery, and Seller shall not have any liability in connection therewith.

6.4. **Definition of Seller's Knowledge.** Any representations and warranties made “to the knowledge of Seller” shall not be deemed to imply any duty of inquiry. For purposes of this Agreement, the term Seller's “knowledge” shall mean and refer only to actual knowledge of the applicable community manager and his or her immediate supervisor, as well as the actual knowledge of Charles Durnin, Senior Vice President of MMA, and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Seller, or any affiliate of Seller.

6.5. **Representations and Warranties of Purchaser.** For the purpose of inducing Seller to enter into this Agreement and to consummate the sale and purchase of the Property in accordance herewith, Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

6.5.1 Purchaser is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware.

6.5.2 Purchaser, acting through any of its or their duly empowered and authorized officers or members, has all necessary entity power and authority to own and use its properties and to transact the business in which it is engaged, and has full power and authority to enter into this Agreement, to execute and deliver the documents and instruments required of Purchaser herein, and to perform its obligations hereunder; and no consent of any of Purchaser's partners, directors, officers or members are required to so empower or authorize Purchaser. To Purchaser's knowledge, the compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Purchaser is a party or by which Purchaser is otherwise bound, which conflict, breach or default would have a material adverse effect on Purchaser's ability to consummate the transaction contemplated by this Agreement. This Agreement is a valid, binding and enforceable agreement against Purchaser in accordance with its terms.

6.5.3 No pending or, to the knowledge of Purchaser, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of Purchaser's obligations or covenants to Seller.

6.5.4 Purchaser is an experienced Purchaser, owner and operator of office property and is familiar with the kinds of legal, economic and other issues that typically impact one's ability to own and operate such property.

6.5.5 Purchaser acknowledges and agrees that Purchaser has been given a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Purchaser's choosing, including, without limitation:

6.5.5.1 All matters relating to title, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements, and building codes;

6.5.5.2 The physical condition and aspects of the Property, including, without limitation, the interior, the exterior, the square footage within the Property and within each Tenant space therein, the structure, the paving, the utilities, and all other physical and functional aspects of the Property, including, without limitation, the proximity to any body of water and risk of flooding, any seismic retrofit requirements and an examination for the presence or absence of Hazardous Materials and mold, which shall be performed or arranged by Purchaser at its sole expense;

6.5.5.3 Any easements and/or access rights affecting the Property;

6.5.5.4 The Leases and all matters in connection therewith, including, without limitation, the ability of each Tenant to pay its Lease obligations;

6.5.5.5 The Service Agreements, the Licenses and Permits and any other documents or agreements of significance affecting the Property; and

6.5.5.6 All other matters of material significance affecting the Property or delivered to Purchaser by Seller in accordance with this Agreement.

6.5.6 Purchaser is not a Prohibited Person.

6.5.7 To Purchaser's knowledge after making due inquiry, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person.

6.5.8 To Purchaser's knowledge, the funds or other assets Purchaser will transfer to Seller under this Agreement are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

6.5.9 To Purchaser's knowledge, the funds or other assets Purchaser will transfer to Seller under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

ARTICLE VII OPERATION OF THE PROPERTY

7.1. **Leases and Property Contracts.** In the ordinary course of business Seller may enter into new Property Contracts, new Leases, renew existing Leases or modify, terminate or accept the surrender or forfeiture of any of the Leases, modify any Property Contracts, or institute and prosecute any available remedies for default under any Lease or Property Contract without first obtaining the written consent of Purchaser; provided, however, Seller agrees that (i) any such new Property Contracts shall be not bind the Property after Closing or otherwise be terminable upon not more than thirty (30) days' notice without penalty and (ii) any new or renewed Leases shall not have a rental concession that reduces the amount of rental due during any periods

occurring later than thirty (30) days following Closing, without obtaining the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. Seller shall be entitled to enter into new Leases up to the day immediately prior to the date of the delivery of the updated rent roll pursuant to Section 5.2.9 without the prior written consent of Purchaser, provided that such new Leases comply with (ii) above.

7.2. **General Operation of Property.** Except as specifically set forth in this Article VII, Seller shall operate the Property after the Effective Date in the ordinary course of business, and except as necessary in Seller's sole discretion to address (a) any life or safety issue at the Property or (b) any other matter which in Seller's reasonable discretion materially adversely affects the use, operation or value of the Property, Seller will not make any material alterations to the Property or remove any material Fixtures and Tangible Personal Property, except as may be required for necessary repair or replacement or as a result of obsolescence, without the prior written consent of Purchaser which consent shall not be unreasonably withheld, denied or delayed.

7.3. **Liens.** Seller covenants that it will not voluntarily create or cause any lien or encumbrance to attach to the Property between the Effective Date and the Closing Date (other than Leases and Property Contracts as provided in Section 7.1) unless Purchaser approves such lien or encumbrance, which approval shall not be unreasonably withheld, conditioned or delayed (and such consent may be made conditional upon Seller's agreement to cause such lien or encumbrance to be removed from title prior to Closing). If Purchaser approves any such subsequent lien or encumbrance, the same shall be deemed a Permitted Exception for all purposes hereunder.

7.4. **Rent Ready Condition.** On the Closing Date, all units that have been vacant for more than one week prior to the Closing Date will be in a Rent Ready Condition. "Rent Ready Condition" shall mean that each such unit has been thoroughly cleaned, recently painted (if such unit was in such condition as would, in Seller's ordinary course of business, require painting) and otherwise ready for occupancy pursuant to Seller's normal standards. Purchaser shall have the right to perform a walk-through of the Property on or around ten (10) business days prior to Closing. If any unit designated as "not Rent Ready" in a writing by Seller reasonably approved of by Purchaser during the walk through remains in "not-Rent Ready Condition", or if any appliance or other item listed above is missing or not in working order during a re-inspection occurring the date two (2) business days prior to Closing, Purchaser shall receive a credit against the Purchase Price at Closing of \$500 per each unit that is not in Rent Ready Condition.

7.5. **Insurance.** Seller will keep the Property fully insured against all usual risks and will maintain in effect all insurance policies now maintained on the Property, up to and including the Closing Date.

7.6. **Material Events.** Seller shall promptly inform Purchaser in writing of any material event that adversely affects the rental income of the Property or Seller's ability to convey the Property to Purchaser as contemplated by this Agreement.

7.7. **Violations.** Seller shall remedy, at its sole cost and expense prior to the Closing, all violations of law or municipal ordinances, orders, requirements or regulations noted in or issued by any Authority having jurisdiction against or affecting the Property, including, without limitation, the use, occupancy and construction thereof existing as of the Effective Date or first

arising during the period of the Effective Date through the day before the Closing Date, and any outstanding work orders and requirements of any company now or then insuring the Property or any portion thereof against casualty loss. If the Property fails a HUD REAC inspection, Purchaser shall have the option of terminating this Agreement by delivering written notice of termination to the Seller and receiving the Down Payment and all interest earned thereon, if any, in which event neither party shall have any further obligation or liability to the other (other than those obligations that expressly survive a termination of this Agreement).

7.8. **Duty to Update; No Solicitation.** Seller shall not take or consent to any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated and which would materially alter the condition or structure of the Property without Purchaser's prior written consent. Seller shall not market the Property to any other person or entity or enter into any negotiations with any third party purchaser, whether or not solicited.

7.9. **Update of Representations.** From the Effective Date through Closing Date, Seller shall notify Purchaser in writing of any facts, conditions or circumstances which come to Seller's knowledge that render any of the representations and warranties set forth in this Agreement in any way inaccurate, incomplete, incorrect or misleading or which materially alter the condition or structure of the Property. If such conditions or circumstances were not caused by Seller (or could not reasonably have been prevented by Seller), then in the event of any update to Seller's warranties and representations, Seller shall not be in default hereunder and shall have no liability as a result thereof. If an updated representation or warranty has a material adverse effect on the current use of the Property or Seller's ability to consummate the transaction contemplated by this Agreement and is not cured by Seller to the reasonable satisfaction of Purchaser within ten (10) days, Purchaser's sole right and remedy as a result thereof shall be the right to terminate this Agreement by giving written notice thereof to Seller within ten (10) Business Days after receipt of such notice from Seller (or the Closing Date, whichever is earlier), and thereupon the Down Payment will be released by Escrow Agent to the Purchaser, and neither party shall have any further rights or obligations, hereunder, except for any obligations which expressly survive termination.

ARTICLE VIII CONDITIONS PRECEDENT TO CLOSING

8.1. **Purchaser's Conditions to Closing.** Purchaser's obligation to close under this Agreement shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.1.1 All of the documents required to be delivered by Seller to Purchaser at the Closing pursuant to the terms and conditions hereof shall have been delivered;

8.1.2 Each of Seller's Representations shall be true in all material respects as of the Closing Date, subject to being updated in accordance with this Agreement;

8.1.3 Seller shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Seller hereunder, in each case at or before Closing;

8.1.4 Neither Seller nor Seller's general partner shall be a debtor in any bankruptcy proceeding nor shall have been in the last six (6) months a debtor in any bankruptcy proceeding;

8.1.5 Seller shall have cured the monetary encumbrances it is required to cure under Section 4.3.1;

8.1.6 The Required Approvals shall have been obtained, provided, however that Purchaser shall not be entitled to a return of the Down Payment due solely to the failure to obtain the Required Approvals;

8.1.7 Purchaser shall have obtained a Title Commitment for an ALTA owner's title insurance policy with extended coverage pursuant to Section 4.3.2 above;

8.1.8 Seller shall have obtained written consent to sell the Property in accordance with this Agreement from its Investor Limited Partner (the "LP Consent"); and

8.1.9 The Property has passed its HUD REAC inspection.

8.2. **Seller's Conditions to Closing.** Without limiting any of the rights of Seller elsewhere provided for in this Agreement, Seller's obligation to close with respect to conveyance of the Property under this Agreement shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.2.1 All of the documents and funds required to be delivered by Purchaser to Seller at the Closing pursuant to the terms and conditions hereof shall have been delivered;

8.2.2 Each of the representations, warranties and covenants of Purchaser contained herein shall be true in all material respects as of the Closing Date;

8.2.3 Purchaser shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Purchaser hereunder;

8.2.4 There shall not be pending or, to the knowledge of either Purchaser or Seller, any litigation or threatened litigation which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Agreement or declare illegal, invalid or nonbinding any of the covenants or obligations of Purchaser; and

8.2.5 Seller shall have obtained the consent to sell the Property in accordance with this Agreement from its Investor Limited Partner.

8.3. **Failure of Conditions Precedent.** In the event that any of the foregoing conditions are not satisfied, this Agreement shall terminate, the Down Payment will be released by Escrow Agent to the Purchaser, and the parties shall have no further rights or obligations hereunder, except for those which expressly survive termination.

**ARTICLE IX
DEFAULTS AND REMEDIES**

9.1. **Purchaser Default.** If Purchaser defaults in its obligations hereunder, Purchaser shall forfeit the Down Payment, and, provided that the Down Payment has not already been released to Seller, the Escrow Agent shall deliver the Down Payment to Seller, and neither party shall be obligated to proceed with the purchase and sale of the Property. If, Purchaser defaults in any of its representations or warranties under this Agreement, and such default continues for more than ten (10) Business Days after written notice from Seller, then Purchaser shall forfeit the Down Payment, and the Escrow Agent shall deliver the Down Payment to Seller, and neither party shall be obligated to proceed with the purchase and sale of the Property. The Down Payment is liquidated damages and recourse to the Down Payment is Seller's sole and exclusive remedy for Purchaser's failure to perform its obligation to purchase the Property or breach of a representation or warranty. Seller expressly waives the remedies of specific performance and additional damages for such default by Purchaser. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, AND EXCEPT FOR A FAILURE OF THE CONDITIONS PRECEDENT CONTAINED IN ARTICLE VIII, IF PURCHASER HAS NOT TERMINATED THIS AGREEMENT IN ACCORDANCE WITH THE TERMS SET FORTH IN THIS AGREEMENT AND IF THE SALE OF THE PROPERTY TO PURCHASER IS NOT CONSUMMATED OTHER THAN DUE TO SELLER'S DEFAULT UNDER THIS AGREEMENT, THEN SELLER, AS ITS SOLE AND EXCLUSIVE REMEDY, BUT SUBJECT TO THE PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT, MAY TERMINATE THIS AGREEMENT AND THE DOWN PAYMENT SHALL BE DELIVERED TO AND RETAINED BY SELLER AS FULL COMPENSATION AND LIQUIDATED DAMAGES UNDER THIS AGREEMENT FOR SUCH FAILURE TO CLOSE. IN CONNECTION WITH THE FOREGOING, THE PARTIES RECOGNIZE THAT SELLER WILL INCUR EXPENSES IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT AND THAT THE PROPERTY MAY BE REMOVED FROM THE MARKET; FURTHER, THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO SELLER CAUSED BY THE BREACH BY PURCHASER UNDER THIS AGREEMENT AND THE FAILURE OF THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE AMOUNT OF COMPENSATION SELLER SHOULD RECEIVE AS A RESULT OF PURCHASER'S DEFAULT, AND THAT THE DOWN PAYMENT REPRESENTS THE PARTIES' BEST CURRENT ESTIMATE OF SUCH DETRIMENT. THIS SECTION 9.1 SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT. NOTHING CONTAINED IN THIS SECTION 9.1 SHALL LIMIT OR IMPAIR ANY OF SELLER'S RIGHTS AND REMEDIES AGAINST PURCHASER FOR ANY OTHER PRE-CLOSING DEFAULT BY PURCHASER UNDER THIS AGREEMENT (INCLUDING PURCHASER'S DUE DILIGENCE INDEMNITY UNDER SECTION 3.4 OR BREACH OF CONFIDENTIALITY UNDER SECTION 12.4 BELOW).**

9.2. **Seller Default.** Provided that Purchaser is not in default, if Seller defaults in its obligations hereunder to (a) deliver to Closing the deliveries specified under Section 5.2 on the date required thereunder, or (b) satisfy the conditions contained in Sections 7.7, 7.9, and 8.1, then,

provided that Purchaser has delivered all of Purchaser's deliveries specified by Section 5.3 and satisfied all of the conditions in Section 8.2 (only if and to the extent each is then available and finalized), Seller shall be deemed to immediately be in default, and Purchaser may exercise Purchaser's rights contained in this Section 9.2 without any opportunity of Seller to cure such default. If Seller, prior to Closing, defaults in its covenants or obligations under this Agreement, and such default continues for more than ten (10) days after written notice from Purchaser, then, at Purchaser's election and as Purchaser's sole and exclusive remedy, either (a) this Agreement shall terminate, and all payments and things of value, including the Down Payment, provided by Purchaser hereunder shall be returned to Purchaser even if the Down Payment has already been released to Seller, and Purchaser may recover, as its sole recoverable damages (but without limiting its right to receive a refund of the Down Payment), its reasonable, direct and actual out-of-pocket expenses and costs (documented by paid invoices to third parties) in connection with this transaction, which damages shall not exceed Twenty-Five Thousand and No/100 Dollars (\$25,000) in aggregate (collectively, "Purchaser's Out-of-Pocket Expenses"), or (b) Purchaser may seek specific performance of Seller's obligation to perform all of its obligations under this Agreement (but not damages) provided that such action is commenced within ten (10) Business Days of such written notice. Notwithstanding the foregoing, if Seller intentionally and willfully sells the Property to a third party prior to (x) the termination of this Agreement or (y) Purchaser's commencement of a specific performance action pursuant to clause (b) above, then Purchaser shall be entitled, in addition to the return of the Down Payment and the reimbursement of all of Purchaser's reasonable Out-of-Pocket Expenses, damages in the amount equal to the greater of (I) difference of the purchase price paid to Seller by the third party purchaser and the Purchase Price, and (II) \$25,000.00. If Purchaser is entitled to the Down Payment as provided in this Section 9.2 and Seller fails to return all or any portion of the Down Payment to Purchaser and/or Escrow Agent within three (3) days after written request thereof from Purchaser and/or Escrow Agent, then Purchaser (and/or any assignee of Purchaser as provided in this Agreement) and/or Escrow Agent may file and/or record a claim of lien in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia on the Real Property in the amount of the Down Payment not returned to Purchaser and/or Escrow Agent and further, in such case, Purchaser may pursue all remedies available at law or in equity under the Commonwealth of Virginia law against Seller and/or for the return of the Down Payment, which may include but is not limited to the filing of a *lis pendens*, as the obligation to return the Down Payment shall be a binding obligation both on the Seller and the Property.

9.3. SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 9 IS INTENDED TO AND DOES LIMIT THE AMOUNT OF DAMAGES DUE PURCHASER AND THE REMEDIES AVAILABLE TO PURCHASER, AND SHALL BE PURCHASER'S EXCLUSIVE REMEDY AGAINST SELLER, BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A BREACH BY SELLER OF ITS COVENANTS OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. UNDER NO CIRCUMSTANCES MAY PURCHASER SEEK OR BE ENTITLED TO RECOVER ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH PURCHASER SPECIFICALLY WAIVES, FROM SELLER FOR ANY BREACH BY SELLER, OF ITS COVENANTS OR ITS OBLIGATIONS UNDER THIS AGREEMENT. PURCHASER SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY UNLESS AND UNTIL IT HAS ELECTED TO SEEK SPECIFIC PERFORMANCE OF THIS

AGREEMENT AND HAS FILED AND IS DILIGENTLY PURSUING AN ACTION SEEKING SUCH REMEDY.

**ARTICLE X
RISK OF LOSS OR CASUALTY**

10.1. **Major Damage.** In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and either (i) fifteen (15) or more units are damaged or destroyed by fire or other casualty or (ii) the cost for demolition, site cleaning, restoration, replacement, or other repairs (collectively, the “Repairs”), is more than \$500,000.00, then Seller shall have no obligation to make such Repairs, and shall notify Purchaser in writing of such damage or destruction (the “Damage Notice”). Within ten (10) days after Purchaser's receipt of the Damage Notice, Purchaser may elect at its option to terminate this Agreement by delivering written notice to Seller in which event the Down Payment shall be refunded to Purchaser. In the event Purchaser fails to terminate this Agreement within the foregoing ten (10) day period, this transaction shall be closed in accordance with Section 10.3 below.

10.2. **Minor Damage.** In the event that the Property is damaged or destroyed by fire or other casualty prior to the Closing, and (i) the cost of Repairs is equal to or less than \$500,000.00 and (ii) fourteen (14) or fewer units are damaged or destroyed by fire or other casualty; then this transaction shall be closed in accordance with Section 10.3, notwithstanding such casualty. In such event, Seller may at its election endeavor to make such Repairs to the extent of any recovery from insurance carried on the Property, if such Repairs can be reasonably effected before the Closing. Regardless of Seller's election to commence such Repairs, or Seller's ability to complete such Repairs prior to Closing, this transaction shall be closed in accordance with Section 10.3 below.

10.3. **Closing.** In the event Purchaser fails to terminate this Agreement following a casualty as set forth in Section 10.1, or in the event of a casualty as set forth in Section 10.2, then this transaction shall be closed in accordance with the terms of the Agreement, at Purchaser's election, either (i) for the full Purchase Price, notwithstanding any such casualty, in which case Purchaser shall, at Closing, execute and deliver an assignment and assumption (in a form reasonably required by Seller) of Seller's rights and obligations with respect to the insurance claim related to such casualty, and thereafter Purchaser shall receive all insurance proceeds pertaining to such claim, less any amounts which may already have been spent by Seller for Repairs (plus a credit against the Purchase Price at Closing in the amount of any deductible payable by Seller in connection therewith); or (ii) for the full Purchase Price less a credit to Purchaser in the amount necessary to complete such Repairs (less any amounts which may already have been spent by Seller for Repairs).

10.4. **Repairs.** To the extent that Seller elects to commence any Repairs prior to Closing, then Seller shall be entitled to receive and apply available insurance proceeds to any portion of such Repairs completed or installed prior to Closing, with Purchaser being responsible for completion of such Repairs after Closing. To the extent that any Repairs have been commenced prior to Closing, then the Property Contracts shall include, and Purchaser shall assume at Closing, all construction and other contracts entered into by Seller in connection with such Repairs.

ARTICLE XI EMINENT DOMAIN

11.1. **Eminent Domain.** In the event that, at the time of Closing, any material part of the Property is acquired (representing more than \$500,000 of value) by any Authority by the powers of eminent domain or transfer in lieu thereof (or in the event that at such time there is any notice of any such acquisition or intent to acquire by any such Authority), Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice within ten (10) days after Purchaser's receipt from Seller of notice of the occurrence of such event, and if Purchaser so terminates this Agreement, Purchaser shall recover the Down Payment hereunder. If Purchaser fails to terminate this Agreement within such 10-day period, this transaction shall be closed in accordance with the terms of this Agreement for the full Purchase Price and Purchaser shall receive the full benefit of any condemnation award.

ARTICLE XII MISCELLANEOUS

12.1. **Brokers.** Seller represents and warrants to Purchaser that it has dealt only with Affordable Housing Advisors ("Broker") in connection with this Agreement. Seller and Purchaser each represents and warrants to the other that, other than Seller's engagement of Broker, it has not dealt with or utilized the services of any other real estate broker, intermediary, sales person or finder in connection with this Agreement, and each party agrees to indemnify, hold harmless, and defend (with counsel approved by the indemnitee) the other party from and against all Losses relating to brokerage commissions and finder's fees arising from any claim made by any other broker, agent or any other person or entity alleging entitlement to any such fee or commission as a result of having dealt with the indemnifying party.

12.2. **Entire Agreement.** This Agreement represents the final expression of, and contains the entire agreement among, the parties with respect to the subject matter hereof, and supersedes all prior understandings among the parties hereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein; *provided, however*, that, the signature of the Escrow Agent shall not be required as to any amendment of this Agreement other than an amendment of Section 2.3. The Escrow Agent's execution of this Agreement shall not be a prerequisite to its effectiveness. Subject to Section 12.3, this Agreement shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and permitted assigns.

12.3. **Assignability.** Subject to the provisions of this Section, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto. Purchaser may not assign its rights under this Agreement without first obtaining the written approval of Seller, which approval may be given or withheld in each Seller's sole discretion, and any such attempted assignment without such Seller's prior written approval shall be null and void. Notwithstanding the foregoing, Seller acknowledges and agrees that Purchaser, in Purchaser's sole discretion, shall be permitted to assign this Agreement to an Affiliate of Purchaser.

12.4. **Confidentiality.** Purchaser shall not disclose the terms and conditions contained in this Agreement and shall keep the same confidential, provided that Purchaser may disclose the terms and conditions of this Agreement (a) as required by law, (b) to consummate the terms of this Agreement, or any financing relating thereto, or (c) to Purchaser's or Seller's lenders, attorneys and accountants. Any information obtained by Purchaser in the course of its inspection of the Property, and any Due Diligence Materials provided by Seller to Purchaser hereunder, shall be confidential and Purchaser shall be prohibited from making such information public to any other person or entity other than its Consultants, without Seller's prior written authorization, which may be granted or denied in Seller's sole discretion. In addition, Purchaser shall use its reasonable efforts to prevent its Consultants from divulging any such confidential information to any unrelated third parties except as reasonably necessary to third parties engaged by Purchaser or Purchaser's Consultants for the limited purpose of analyzing and investigating such information for the purpose of consummating the transaction contemplated by this Agreement. Unless and until the Closing occurs, Purchaser shall not market the Property (or any portion thereof) to any prospective purchaser or lessee without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion.

12.5. **TIME OF THE ESSENCE.** IT IS EXPRESSLY AGREED BY THE PARTIES HERETO THAT TIME IS OF THE ESSENCE WITH RESPECT TO THIS AGREEMENT AND TO ALL TIMES, TIME PERIODS AND DATES FOR THE PERFORMANCE UNDER THIS AGREEMENT.

12.6. **Captions; Schedules and Exhibits.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof. Except as otherwise specifically indicated, all references in this Agreement to Articles, Sections or clauses shall refer, respectively, to Articles, Sections or clauses of this Agreement, and all references in this Agreement to Exhibits or Schedules shall refer, respectively, to the Exhibits and Schedules attached hereto, all of which Exhibits and Schedules are incorporated into and made a part of this Agreement by reference.

12.7. **Days; Time Periods.** Unless otherwise specified herein, any reference in this Agreement to a specific time shall refer to the time in the time zone where the Property is located. If any action is required to be performed, or if any notice, consent or other communication is given, on a day that is not a Business Day, such performance shall be deemed to be required, and such notice, consent or other communication shall be deemed to be given, on the first Business Day following such non-Business Day. Unless otherwise specified herein, all references herein to a "day" or "days" shall refer to calendar days and not Business Days.

12.8. **Interpretation.** No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate. Except as otherwise specifically indicated, all references in this Agreement to Articles, Sections or clauses shall refer, respectively, to Articles, Sections or clauses of this Agreement, and all references in this Agreement to Exhibits or Schedules shall refer, respectively, to the Exhibits and Schedules attached hereto, all of which Exhibits and Schedules are incorporated into and made a

part of this Agreement by reference. The words “herein,” “hereof,” “hereinafter”, “hereunder” and words and phrases of similar import shall refer to this Agreement as a whole and not to any particular Article, Section or clause. The term “including” shall mean “including, without limitation” and the singular of any term shall mean the plural, and the plural of any term shall mean the singular, as and to the extent the context shall imply.

12.9. **Notices.** All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery, (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; or (c) sent by confirmed facsimile transmission or (d) electronic delivery with delivery receipt confirmed with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (b) no later than one (1) Business Day thereafter. All notices shall be sent to the addressee at its address set forth following its name below:

To Purchaser:

c/o Fairstead
250 West 55th Street, 35th Floor
New York, New York 10019
Attention: John Tatum
Email: john.tatum@fairstead.com

with a copy to:

c/o Fairstead
250 West 55th Street, 35th Floor
New York, New York 10019
Attention: General Counsel
Email: notices@fairstead.com

And a copy to:

Alyssa Carducci Embree, Esq.
Williams Mullen
999 Waterside Drive, Suite 1700
Norfolk, Virginia 23510
Email: aembree@williamsmullen.com

To Seller:

CP Atlantic, L.P.
c/o The Michaels Organization
2 Cooper Street, 14th Floor
Camden, New Jersey 08102
Attn: James Miller
Telephone: (856) 797-8429
Facsimile: (856) 988-5817
E-mail: jmiller@tmo.com

with copy to:

E. Allan Mack, LLC
2 Cooper Street, 14th Floor
Camden, New Jersey 08102
Attn: Allan Mack
Telephone: (856) 355-4973
Facsimile: (856) 988-5817
E-mail: amack@eam-law.com

To Escrow Agent:

Safe Harbor Title Company
3526 George Washington Memorial Parkway
Suite D-1
Yorktown, Virginia 23693
Telephone: 757-223-1588
Attention: Angela Molin
Email: angelam@safeharbortc.com

Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first Business Day following such dispatch, (ii) hand shall be deemed delivered on the date received or refused, and (iii) facsimile or e-mail transmission as aforesaid shall be deemed given at the time and on the date of machine transmittal (delivery confirmed) unless such transmittal is on a day other than a Business Day or after 6:00 p.m. local time of the recipient, in which case the notice shall be deemed given on the next Business Day. Notices may be given by or to counsel for the parties described above, and such notices shall be deemed given by or to said party for all purposes hereunder. Each party shall be entitled to change its address for notices from time to time by delivering to the other party notice thereof in the manner herein provided for the delivery of notices. Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Agreement, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

12.10. **Governing Law and Venue.** The laws of the Commonwealth of Virginia shall govern the validity, construction, enforcement, and interpretation of this Agreement, unless otherwise specified herein except for the conflict of laws provisions thereof. All claims, disputes

and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in the state in which the Property is situated, and the parties hereto expressly consent to the venue and jurisdiction of such court.

12.11. Submission to Jurisdiction; Consent to Service of Process.

12.11.1 The parties agree to unconditionally and irrevocably submit and consent to the exclusive jurisdiction of any Virginia state or federal court sitting in Virginia Beach or Norfolk, and any state or federal appellate court therein, for the resolution of any claim, controversy or dispute arising under, relating to, or in connection with this Agreement, any document delivered at Closing, and/or any of the transactions contemplated hereby or thereby. Each party agrees that it will not attempt to deny or defeat jurisdiction by motion or other request for leave from any such court and agrees that it will not bring any action arising under, relating to, or in connection with this Agreement, any document delivered at Closing, and/or any of the transactions contemplated hereby or thereby in any other court. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient or improper forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

12.11.2 Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by personal delivery of a copy thereof in accordance with the provisions of Section 12.9.

12.12. WAIVER OF JURY TRIAL. PURCHASER, SELLER AND ESCROW AGENT HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY OF ANY CLAIM, ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, BASED UPON, ARISING OUT OF OR RELATED, DIRECTLY OR INDIRECTLY, TO THIS AGREEMENT, THE CLOSING DOCUMENTS AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

12.13. **Severability.** In the event that any part of this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed, and enforced to the maximum extent permitted by law. If such provision cannot be reformed, it shall be severed from this Agreement and the remaining portions of this Agreement shall be valid and enforceable.

12.14. **Waiver.** No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Agreement shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

12.15. **Attorneys' Fees.** In the event either party hereto commences litigation or arbitration against the other to enforce its rights hereunder, the prevailing party in such litigation shall be entitled to recover from the other party its reasonable attorneys' fees and expenses incidental to such litigation and arbitration, including the cost of in-house counsel and any appeals. The "prevailing party" shall include, but is not limited to, a party who dismisses an action for recovery under this Agreement in exchange for payment of sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

12.16. **Regulatory Agreements.** Following Closing, (a) Purchaser shall indemnify, defend, and hold harmless Seller and its partners for any claims, liabilities, damages, costs, expenses, and reasonable attorneys' fees as a result of Purchaser's failure to comply with the terms and conditions of any regulatory agreements encumbering the Property (including, without limitation, any extended use regulatory agreement) (collectively, the "**Regulatory Agreements**") that first arises, occurs, or is otherwise the result of events after the Closing, and (b) Seller shall indemnify, defend, and hold harmless Purchaser and its partners from any claims, liabilities, damages, costs, expenses, and reasonable attorneys' fees as a result of a failure to comply with the terms and conditions of the Regulatory Agreements that first arises, occurs or is otherwise the result of events prior to Closing regardless of when discovered. The terms and conditions of this Section 12.16 shall survive the Closing.

12.17. **ADA Disclosure.** Purchaser acknowledges that the Property may be subject to the federal Americans With Disabilities Act (the "**ADA**") and the federal Fair Housing Act (the "**FHA**"). The ADA requires, among other matters, that tenants and/or owners of "public accommodations" remove barriers in order to make the Property accessible to disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons. Seller makes no warranty, representation or guarantee of any type or kind with respect to the Property's compliance with the ADA or the FHA (or any similar state or local law), and Seller expressly disclaims any such representations.

12.18. **Survival.** Except for (a) all of the provisions of this Article XII (other than Sections 12.18 and 12.20); (b) Sections 2.3, 3.3, 3.4, 3.5, 5.4, 6.2, 6.5, 10.4 and 12.16; and (c) any other provisions in this Agreement, that by their express terms survive the termination or Closing (the foregoing (a), (b) and (c) referred to herein as the "**Survival Provisions**"), none of the terms and provisions of this Agreement shall survive the termination of this Agreement, and if the Agreement is not so terminated, all of the terms and provisions of this Agreement (other than the Survival Provisions, which shall survive the Closing) shall be merged into the Closing documents and shall not survive Closing.

12.19. **No Recording.** Purchaser shall not cause or allow this Agreement or any contract or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record. If Purchaser records this Agreement or any other memorandum or evidence thereof, Purchaser shall be in default of its obligations under this Agreement. Purchaser hereby appoints Seller as Purchaser's attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Agreement or other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable.

12.20. **Exclusivity.** Except as permitted herein, during the term of this Agreement, neither the Seller nor their Affiliates shall solicit, authorize the solicitation of, or enter into any agreement with any third party concerning any offer or possible offer for a third party to acquire the Property.

12.21. **No Personal Liability of Officers, Trustees or Directors of Seller's Partners.** Purchaser agrees that none of Seller's Indemnified Parties shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement.

12.22. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties (except as aforesaid) to merely create the relationship of seller and purchaser with respect to the assets to be conveyed as contemplated hereby. Neither Purchaser nor Seller is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

12.23. **No Third-Party Beneficiaries.** The provisions of this Agreement shall be binding upon Purchaser, or if assigned, its permitted assignee, and Seller, and shall inure to the benefit of Purchaser, or if assigned, its permitted assignee, and Seller, and their respective successors and permitted assigns. Additionally, it is the explicit intention of Purchaser and the Sellers that no person or entity is intended to be a beneficiary of the terms and provisions of this Agreement.

12.24. **Limitation of Liability.** No present or future partner, member, manager, director, officer, shareholder, employee, advisor, affiliate or agent of or in any party to this Agreement shall have any personal liability, directly or indirectly, under or in connection with this Agreement, or any amendment or amendments to this Agreement made at any time or times, heretofore or hereafter, and each party and its successors and assigns and, without limitation, all other persons and entities, shall look solely to the assets of the other parties for the payment of any claim or for any performance, and each party hereby waives any and all such personal liability. The limitations of liability contained in this Section shall survive the termination of this Agreement and are in addition to, and not in limitation of, any limitation on liability applicable to any party provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument.

12.25. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. For purposes of this Agreement, signatures transmitted by facsimile or electronically shall have the same binding effect as original signatures.

12.26. **Drafts Not an Offer.** The parties hereto agree that the submission of a draft of this Agreement by one party to another is not intended by any party to be an offer to enter into a legally binding contract with respect to the transaction contemplated by this Agreement. The parties shall be legally bound with respect to the transaction contemplated by this Agreement pursuant to the terms of this Agreement only if Seller and Purchaser have fully and unconditionally executed and delivered to each other a copy or counterpart of this Agreement.


[Remainder of Page Intentionally Left Blank]

NOW, THEREFORE, the parties hereto have executed this Agreement as of the date first set forth above.

SELLER:


CP ATLANTIC, L.P., a California limited partnership

By: Atlantis-Michaels, L.L.C., its general partner

By: 
Name: James R. Miller
Title: Vice President

PURCHASER:

FAIRSTEAD ACQUISITIONS LLC,
a Delaware limited liability company

By: 
Name: John Tatum
Title: Authorized Signatory

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Agreement to which this signature page is attached for the purpose of agreeing to the provisions of the Agreement that apply to Escrow Agent and Title Company, and hereby establishes _____, 2020 as the date of opening of escrow and designates SHHR-189 as the escrow number assigned to this escrow.

ESCROW AGENT:

SAFE HARBOR TITLE COMPANY

By: Melissa M. Peterson
Name:
Title:

EXHIBIT A

LEGAL DESCRIPTION

Exhibit A

LEGAL DESCRIPTION
THE ATLANTIS APARTMENTS

REMAINDER OF PARCEL A

ALL THAT CERTAIN TRACT, PIECE OR PARCEL OF LAND, DESIGNATED AS PARCEL A, LYING, SITUATED AND BEING IN THE CITY OF VIRGINIA BEACH, VIRGINIA AS SHOWN ON THE PLAT ENTITLED "SUBDIVISION OF THE ATLANTIS APARTMENTS FOR THE ATLANTIS APARTMENTS INC.", MADE BY MARSH AND BASGIER, CONSULTING ENGINEERS AND SURVEYORS, DATED JUNE, 1970, AND BEING RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF VIRGINIA BEACH, VIRGINIA, IN MAP BOOK 86, AT PAGE 9.

LESS, SAVE AND EXCEPT APPROXIMATELY 0.064 ACRES SHOWN ON SHEET 4 ON THE PLANS FOR STATE HIGHWAY PROJECT U000-134-106, RW-201 SHOWN IN CERTIFICATE RECORDED JULY 14, 1976, IN DEED BOOK 1582, AT PAGE 46.

AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE NORTHEAST INTERSECTION OF NORTH BIRDNECK ROAD AND HOPE AVENUE; THENCE ALONG NORTH BIRDNECK ROAD N 52°14'30" E, 19.49 FEET TO A POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE N 52°14'30" E, 150.76 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 863.51 FEET, AN ARC DISTANCE OF 21.00 FEET TO A POINT; THENCE TURNING AND LEAVING SAID RIGHT-OF-WAY LINE AND RUNNING S 52°36'00" E, 728.80 FEET TO A POINT ON THE WESTERN RIGHT-OF-WAY LINE OF BEACH TOWN DRIVE; THENCE TURNING AND RUNNING ALONG SAID RIGHT-OF-WAY LINE S 37°24'00" W, 124.94 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 60.00 FEET, AN ARC DISTANCE OF 94.25 FEET TO A POINT OF TANGENCY ON THE NORTHERN RIGHT-OF-WAY LINE OF HOPE AVENUE; THENCE RUNNING ALONG SAID RIGHT-OF-WAY LINE N 52°36'00" W, 698.05 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 15.00 FEET, AN ARC DISTANCE OF 27.45 FEET TO THE POINT OF BEGINNING.

PARCEL B

ALL THAT CERTAIN TRACT, PIECE OR PARCEL OF LAND, DESIGNATED AS PARCEL B, LYING, SITUATED AND BEING IN THE CITY OF VIRGINIA BEACH, VIRGINIA AS SHOWN ON THE PLAT ENTITLED "SUBDIVISION OF THE ATLANTIS APARTMENTS FOR THE ATLANTIS APARTMENTS INC.", MADE BY MARSH AND BASGIER, CONSULTING ENGINEERS AND SURVEYORS, DATED JUNE, 1970, AND BEING RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF THE CITY OF VIRGINIA BEACH, VIRGINIA, IN MAP BOOK 86, AT PAGE 9.

AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERN RIGHT-OF-WAY LINE OF BEACH TOWN DRIVE AT IT'S INTERSECTION WITH THE NORTHERN RIGHT-OF-WAY LINE OF HOPE AVENUE (30 FEET IN WIDTH); THENCE RUNNING ALONG SAID EASTERN RIGHT-OF-WAY LINE OF BEACH TOWN DRIVE N 37°24'00" E, 200.00 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET, AN ARC DISTANCE OF 78.54 FEET TO A POINT OF REVERSE CURVATURE ON THE SOUTHERN RIGHT-OF-WAY LINE OF ATLANTIS DRIVE; THENCE CONTINUING ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 482.46 FEET, AN ARC DISTANCE OF 235.83 FEET TO A POINT OF TANGENCY; THENCE TURNING AND RUNNING ALONG SAID SOUTHERN RIGHT-OF-WAY LINE OF ATLANTIS DRIVE S 80°36'22" E, 386.38 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 265.00 FEET, AN ARC DISTANCE OF 188.33 FEET TO A POINT OF TANGENCY; THENCE CONTINUING S 39°53'15" E, 117.33 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 245.00 FEET, AN ARC DISTANCE OF 174.12 FEET TO A POINT OF TANGENCY; THENCE CONTINUING S 80°36'22" E, 152.98 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, AN ARC DISTANCE OF 121.54 FEET TO A POINT; THENCE TURNING AND LEAVING SAID SOUTHERN RIGHT-OF-WAY LINE OF ATLANTIS DRIVE AND RUNNING S 39°53'15" E, 341.69 FEET TO A POINT; THENCE TURNING AND RUNNING N 80°36'22" W, 1275.41 FEET TO A POINT; THENCE TURNING AND RUNNING N 52°36'00" W, 413.68 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

FORM OF SPECIAL WARRANTY DEED

Prepared by and return to:

Parcel ID No.: _____
Consideration: \$ _____
Assessment: \$ _____
Title Underwriter: _____

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED (“Deed”), made this ___ day of _____, 2020, by and between **SELLER**, a [entity type] (“**GRANTOR**”), and **BUYER**, a [entity type] having an address of [Buyer address] (“**GRANTEE**”).

WITNESSETH:

In consideration of the sum of Ten Dollars (\$10.00) cash in hand paid by Grantee to Grantor, and other good and valuable consideration, the receipt whereof is hereby acknowledged, Grantor does hereby grant and convey, with Special Warranty of Title, unto the Grantee, the property located in the City of _____, Virginia, as more particularly described on Exhibit A attached hereto and made a part hereof (the “Property”).

Grantor does hereby warrant the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

This conveyance is made subject to easements, conditions and restrictions of record insofar as they may lawfully affect the Property.

TO HAVE AND TO HOLD the Property, together with all rights, privileges, and advantages thereunto belonging or appertaining to the Grantee, its successors and assigns, forever.

[Remainder of page intentionally blank; signature on next page.]

[Signature page to Special Warranty Deed]

WITNESS the following signature:

[SELLER],
a [entity type]

By: _____ (SEAL)

Name: _____

Title: _____

STATE OF _____,
CITY/COUNTY OF _____, to-wit:

The foregoing instrument has been acknowledged before me, a notary public in the jurisdiction aforesaid, this _____ day of _____, 2020, by _____, as _____ of [Seller], a [entity type]. He is known to me or produced a state-issued driver's license as identification.

Notary Public

My Commission Expires: _____

Registration No.: _____

EXHIBIT "A" TO SPECIAL WARRANTY DEED
LEGAL DESCRIPTION OF PROPERTY

EXHIBIT C

FORM OF BILL OF SALE

THIS BILL OF SALE ("Bill of Sale") is made this ____ day of _____, 2020 by [] ("Seller"), in favor of [] ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated as of _____, 2020 (the "Agreement") with respect to the sale of certain Property identified therein. (Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Agreement.)

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Purchaser all of the Fixtures and Tangible Personal Property, without representation or warranty of any kind whatsoever except as set forth in and subject to the terms of the Agreement.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY STATE WHICH SHALL HAVE JURISDICTION OVER THIS BILL OF SALE).

This Bill of Sale shall be binding upon and inure to the benefit of the successors and permitted assigns of Purchaser and Seller.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of where the Property is located.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the day and year first written above.

SELLER

[Signature block to be inserted at Closing.]

EXHIBIT D

GENERAL ASSIGNMENT AND ASSUMPTION

This General Assignment and Assumption (this "Assignment") is executed by [] ("Seller"), in favor of [] ("Purchaser") as of _____, 2020 (the "Effective Date").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated as of _____, 2020 (the "Agreement") with respect to the sale of certain Property identified therein. (Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Agreement.)

WHEREAS, pursuant to the Agreement, Seller has agreed to assign, without recourse or warranty, to Purchaser all of Seller's right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits and the Property Contracts.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Assignment. As of the Effective Date, Seller hereby assigns, sells and transfers, without recourse or warranty (except as otherwise stated in the Agreement), to Purchaser all of Seller's right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits and the Property Contracts.

2. Assumption. As of the Effective Date, Purchaser expressly accepts the assignment of Seller's interests under the Miscellaneous Property Assets, the Permits and the Property Contracts assumes those obligations which are to be first performed or which first become due on or after the Effective Date; provided, however, that to the extent that any Property Contract constitutes a Terminated Contract, Purchaser assumes such Property Contract only through the effective date of the termination of such Property Contract pursuant to its express terms.

3. Seller Indemnity. Seller hereby agrees to indemnify, defend and hold harmless Purchaser from and against any and all costs, damages, losses, liabilities and expenses (including reasonable attorneys' fees) incurred by Purchaser as a result of claims or causes of action arising out of or relating to Seller's failure to perform any of the obligations under the Miscellaneous Property Assets, the Permits and the Property Contracts first occurring prior to Effective Date.

4. Purchaser Indemnity. Purchaser hereby agrees to indemnify, defend and hold harmless Seller from and against any and all costs, damages, losses, liabilities and expenses (including reasonable attorneys' fees) incurred by Seller as a result of claims or causes of action arising out of or relating to Purchaser's failure to perform any of the obligations on its part to be performed with respect to the Miscellaneous Property Assets, the Permits and the Property Contracts first occurring on or after the Effective Date.

5. Counterparts. This Assignment may be executed in a number of identical counterparts. Signatures may be delivered by facsimile or electronic delivery, and such signatures shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

6. Attorneys' Fees. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys' fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court. The "prevailing party" shall include, but is not limited to, a party who dismisses an action for recovery under this Assignment in exchange for payment of sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

7. Applicable Law. This Assignment shall be governed by and interpreted in accordance with the laws of the State of where the Property is located.

8. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED (OR ANY OTHER STATE WHICH SHALL HAVE JURISDICTION OVER THIS ASSIGNMENT).

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this General Assignment and Assumption as of the day and year first written above.

SELLER:

[Signature block to be inserted at Closing.]

[Purchaser's Signature Page Follows]

Purchaser:

[PURCHASER]

a [Purchaser's State] [type entity]

By:

Name:

Title:

EXHIBIT E

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

This Assignment and Assumption of Leases and Security Deposits (this "Assignment") is executed by [] ("Seller"), in favor of [] ("Purchaser") as of _____, 2020 (the "Effective Date").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated as of _____, 2020 (the "Agreement") with respect to the sale of certain Property more particularly described on Exhibit A attached hereto. (Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Contract.)

WHEREAS, Seller, as landlord, has entered into certain leases for the use of the Property by tenants (collectively, together with all amendments, modifications, supplements, restatements and guarantees thereof, the "Leases").

WHEREAS, the Agreement requires Seller and Purchaser to execute this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

9. Assignment and Assumption. As of the Effective Date, Seller hereby irrevocably assigns, sets over, transfers and conveys to Purchaser all of Seller's right, title and interest in and to (a) the Leases and (b) the Tenant Security Deposit Balance. Purchaser hereby accepts this Assignment and the rights granted herein, and Purchaser hereby expressly assumes, for itself and its successors, assigns and legal representatives, the Leases and the Tenant Security Deposit Balance and all of the obligations and liabilities, fixed and contingent, of Seller thereunder accruing from and after the date hereof with respect to the Leases and the Tenant Security Deposit Balance and agrees to (i) be fully bound by all of the terms, covenants, agreements, provisions, conditions, obligations and liability of Seller thereunder, which accrue from and after the date hereof, and (ii) keep, perform and observe all of the covenants and conditions contained therein on the part of Seller to be kept, performed and observed, from and after the date hereof.

10. Indemnification.

(a) Seller Indemnity. Seller hereby agrees to indemnify, defend and hold harmless Purchaser from and against any and all costs, damages, losses, liabilities and expenses (including reasonable attorneys' fees) incurred by Purchaser as a result of claims or causes of action being brought against Purchaser, as Seller's successor in interest to the Leases, arising out of or relating to Seller's failure to perform any of the obligations of the lessor under the Leases first occurring prior to the Effective Date.

(b) Purchaser Indemnity. Purchaser hereby agrees to indemnify, defend and hold harmless Seller from and against any and all costs, damages, losses, liabilities and expenses (including reasonable attorneys' fees) incurred by Seller as a result of claims or causes of action being brought against Seller arising out of or relating to Purchaser's failure to perform any of the obligations of the lessor under the Leases first occurring from and after the Effective Date or relating to any and all claims incurred by Seller with respect to the Security Deposits and prepaid rent assigned herein.

11. General Provisions.

(a) Successors. This Assignment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

(b) Counterparts. This Assignment may be executed in a number of identical counterparts. Signatures may be delivered by facsimile or electronic delivery, and such signatures shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

(c) Governing Law. This Assignment and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State wherein the Project is located, without reference to the conflict of law provisions thereof.

(d) Attorney's Fees. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys' fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court. The "prevailing party" shall include, but is not limited to, a party who dismisses an action for recovery under this Assignment in exchange for payment of sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Assignment and Assumption of Leases and Security Deposits as of the day and year first written above.

SELLER:

[Signature block to be inserted at Closing.]

[Purchaser's Signature Page Follows]

Purchaser:

[PURCHASER]

a **[Purchaser's State] [type entity]**

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION

SCHEDULE 1

DEFINED TERMS

1.1 “Affiliate” means any entity directly or indirectly controlling, controlled by or under common control with, the entity in question. For the purpose of this Agreement, “control” means the power to direct the management and policies of such entity, directly or through one or more intermediaries, whether through the ownership of voting securities, by agreement or otherwise, and the term “controlled” has the meaning correlative to the foregoing.

1.2 “Authority” means each and any of the various federal, state, county, parish, administrative and municipal governmental and quasi-governmental bodies or agencies having jurisdiction over all or any portion of the Property.

1.3 “Business Day” means any day other than a Saturday, Sunday or a day on which the Federal Reserve Bank in the jurisdiction where the Property is located, or New York, New York, is closed for business.

1.4 “Closing” means the consummation of the purchase and sale and related transactions contemplated by this Agreement in accordance with the terms and conditions of this Agreement.

1.5 “Closing Date” means the date on which date the Closing of the conveyance of the Property is required to be held pursuant to Section 5.1.

1.6 “Due Diligence Materials” shall mean all documents, materials, data, analyses, reports, studies and other information pertaining to or concerning Seller, the Property or the purchase of the Property, to the extent the same have been delivered to or made available for review by Purchaser or any of its agents, employees or representatives, including (a) all documents, materials, data, analyses, reports, studies and other information made available to Purchaser or any of its agents, employees or representatives for review through an on-line data website, and (b) all information disclosed in the real estate records of the applicable jurisdiction in which the Property is located, but in all cases excluding the Excluded Materials except to the extent any Excluded Materials are actually delivered or made available to Purchaser or any of its agents, employees or representatives.

1.7 “Environmental Laws” shall mean, each and every federal, state, county and municipal statute, ordinance, rule, regulation, code, order, requirement, directive, binding written interpretation and binding written policy pertaining to Hazardous Materials issued by any authorities and in effect as of the Effective Date with respect to or which otherwise pertains to or affects the Property, or any portion thereof, the use, ownership, occupancy or operation of the Property, or any portion thereof, or Purchaser, and as the same have been amended, modified or supplemented from time to time prior to the Effective Date, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, the 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 Water Act (33 U.S.C. § 1321 et seq.),

the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon Gas and Indoor Air Quality Research Act of 1986 (42 U.S.C. § 7401 et seq.), the National Environmental Policy Act (42 U.S.C. § 4321 et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and any and all rules and regulations which have become effective prior to the Effective Date under such statutes.

1.8 “Excluded Materials” shall mean of the following: (i) any appraisals, analyses or other economic evaluations of, or projections with respect to, all or any portion of the Property (whether prepared internally or by consultants), including, without limitation, budgets, prepared by or on behalf of Seller or any affiliate of Seller or any other party, (ii) any documents, materials or information which are subject to attorney and accountant work product or attorney/client or similar privilege, which constitute attorney communications with respect to the sale of the Property by Seller, (iii) any information which Seller, in good faith, considers proprietary, including, without limitation any documents or information concerning Seller itself and its constituent members, and (iv) any information which is subject to any confidentiality obligations.

1.9 “Fixtures and Tangible Personal Property” means all fixtures, furniture, furnishings, fittings, equipment, machinery, apparatus, appliances and other articles of tangible Personal Property located on the Land or in the Improvements as of the Effective Date and used or usable in connection with the occupation or operation of all or any part of the Property, but only to the extent transferable. The term “Fixtures and Tangible Personal Property” does not include (a) equipment leased by Seller and the interest of Seller in any equipment provided to the Property for use, but not owned or leased by Seller, or (b) property owned or leased by any Tenant or guest, employee or other person furnishing goods or services to the Property, or (c) property and equipment owned by Seller, which in the ordinary course of business of the Property is not used exclusively for the business, operation or management of the Property.

1.10 “Governmental Regulations” means all statutes, ordinances, rules, agreements, judgments, decrees, regulations, codes, directives and laws of any of the Authorities, including common law, and any binding written interpretations, binding written policies and binding written decisions relating thereto, and any amendments, modifications and supplements thereof, including, without limitation, any and all zoning ordinances and statutes, building codes, rules and regulations, and Environmental Laws, now or hereafter applicable to the Land, the Improvements, the Leases, the Personal Property or any portions thereof, or the use, ownership, occupancy or operation of the Land, the Improvements, the Personal Property or any portions thereof.

1.11 “HAP Contract” shall mean any Housing Assistance Payments Contract by which rent subsidies under Section 8 of the United States Housing Act of 1937, as amended, are provided to the Property, as such contract may be amended from time to time.

1.12 “Hazardous Materials” shall mean (a) asbestos, radon gas and urea formaldehyde foam insulation, (b) any solid, liquid, gaseous or thermal contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum products or byproducts, polychlorinated biphenyls, phosphates, lead or other heavy metals and chlorine, (c) any solid or liquid waste (including hazardous waste), hazardous air pollutant, hazardous substance, hazardous chemical

substance and mixture, toxic substance, pollutant, pollution, or regulated substance, and (d) any other chemical, material or substance, the use or presence of which, or exposure to the use or presence of which, is prohibited, limited or regulated by any Environmental Laws.

1.13 “HUD” means the United States Department of Housing and Urban Development, including the Office of Affordable Housing Preservation (“OAHP”), its agents and/or designees including, but not limited to, a Section 8 Performance Based Contract Administrator and a Participating Administrative Entity (“PAE”).

1.14 “HUD Application” shall mean any application required to be submitted to HUD in order to obtain HUD HAP Assumption Approval.

1.15 “Improvements” means all buildings, structures, parking area surfaces, sidewalks, landscaping, and other improvements of every kind situated on, under and/or above the Land, together with the Property’s plumbing, air conditioning, heating, ventilating, life safety, utility and mechanical systems and fixtures, including rights to use of common areas but specifically excluding the Personal Property and items specifically excluded from the definition of Personal Property.

1.16 “Land” means the parcel or parcels of land more particularly described on Exhibit A, together with each Seller’s right, title and interest, if any, in and to adjacent streets and alleys, strips and gores, and any appurtenances relating to such parcels of land, including without limitation, any right-of-ways, easements, rights and privileges appurtenant thereto, air rights and development rights.

1.17 “Lease(s)” means the interest of Seller in and to all leases, subleases and other occupancy contracts, whether or not of record, which provide for the use or occupancy of space or facilities on or relating to the Property and which are in force as of the Closing Date for the Property.

1.18 “Miscellaneous Property Assets” means all contract rights, leases, concessions, warranties, plans, drawings and other items of intangible Personal Property relating to the ownership or operation of the Property and owned by Seller, excluding, however, (a) receivables, (b) Property Contracts, (c) Leases, (d) Permits, (e) cash or other funds, whether in petty cash or house “banks,” or on deposit in bank accounts or in transit for deposit, (f) refunds, rebates or other claims, or any interest thereon, for periods or events occurring prior to the Closing Date, (g) utility and similar deposits, (h) insurance or other prepaid items, (i) Seller’s proprietary books and records; (j) Seller’s website domain address associated with the Property, used exclusively for the Property if transferrable, (k) all warranties or guaranties for any and all of the Property, (l) all voting units, voting rights and other entitlement granted to Seller under any covenants, conditions, or restrictions applicable to the Property, (m) all legal and equitable claims, causes of action, and rights Seller may have against third parties (that are not Affiliates of Seller), including architects, engineers, designers, contractors, subcontractors, suppliers, materialmen, and any other party supplying labor, services, materials or equipment in connection with the design, planning, construction, development, use, operation, maintenance, or ownership of the Property, but only to the extent not needed by Seller or its insurance carriers to defend itself from any claims arising in connection therewith, and (n) all rights arising under any water or utility “will-serve”

commitments, and all infrastructure or impact fee credits related to the Property, and all other rights relating to the ownership, use and operation of the Property, as defined below. The term “Miscellaneous Property Assets” also shall include all of Seller's rights, if any, in and to the names “Atlantis Apartments” and derivations thereof as it relates solely to use in connection with the Property.

1.19 “Permits” means all licenses and permits granted by any Authority having jurisdiction over the Property and required in order to own and operate the Property, including but not limited all licenses, certificates of occupancy, entitlements and approvals, building permits, zoning approvals, and conditional use permits, and other authorizations, approvals, and entitlements issued or granted by any Authority having jurisdiction over the Property in connection with the design, planning, construction, development, use, operation, maintenance, or ownership of the Property.

1.20 “Personal Property” means Seller’s right, title and interest in and to all equipment, appliances, devices, machinery, furnishings, plans, drawings, manuals, warranties and guaranties and other personal property attached to, appurtenant to, or situated at the Property on the Effective Date and used exclusively in connection with the operation, maintenance and cleaning exclusively of the Property (but with respect to furnishings, tools, supplies, and spare parts, only to the extent located at the Property on the date hereof). Without limiting the generality of the foregoing, Personal Property shall include furniture located in the Property together with any replacements of the foregoing items situated at the Property on the date hereof. Notwithstanding the foregoing or any other provision of this Agreement, the term “Personal Property” and the term “Property” shall not include (a) any property owned or leased by a managing agent or management company, contractor, service provider or other party (other than a Seller), (b) any property owned by a Tenant or leased by a Tenant from a person other than Seller, (c) Excluded Materials, and (d) any trade names and other intellectual property of Seller and its Affiliate.

1.21 “Prohibited Person” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, or other entity which (a) is included on the List of Specially Designated Nationals and Blocked Persons maintained by the United States Treasury Department’s Office of Foreign Assets Control (“OFAC”), (b) resides or has a place of business in a country or territory named on an OFAC list or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering or transfers its funds from or through such a jurisdiction, (c) resides in or is organized under the laws of a jurisdiction designated by the Secretary of the Treasury of the United States as warranting special measures due to money laundering concerns, (d) is a senior foreign political figure, member of a senior foreign political figure’s immediate family or close associate of a senior foreign political figure (as each is defined below), or (e) is a foreign shell bank (as defined below). For purposes of this definition, “senior foreign political figure” means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure includes the senior foreign political figure’s parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known to maintain an

unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure. For purposes of this definition, “foreign shell bank” means a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision.

1.22 “Property” means (a) the Land and Improvements and all rights of Seller, if any, in and to all of the easements, rights, privileges, and appurtenances belonging or in any way appertaining to the Land and Improvements, (b) the Property Contracts, Leases, Permits and the right, if any, of Seller in and to the Fixtures and Tangible Personal Property, and (c) the Miscellaneous Property Assets owned by Seller which are located on the Property and used in its operation.

1.23 “Property Contracts” means all contracts, agreements, equipment leases, purchase orders, maintenance, service and similar contracts, excluding Leases entered into by or behalf of Seller, which relate exclusively to the ownership, maintenance, construction or repair and/or operation of the Property, whether or not assignable by their terms, but not including (a) any national contracts entered into by Seller with respect to the Property (i) which terminate automatically upon transfer of the Property by Seller, or (ii) which Seller, in Seller’s sole discretion, elects to terminate with respect to the Property effective as of the Closing Date, or (b) any property management contract for the Property.

1.24 “Tenant” means any person or entity entitled to occupy any portion of the Property under a Lease.

1.25 “Tenant Deposits” means all security deposits, prepaid rentals, cleaning fees and other refundable deposits and fees collected from Tenants that remains on deposit (i.e. not returned or applied), plus any interest accrued thereon, paid by Tenants to Seller pursuant to the Leases. Tenant Deposits shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

SCHEDULE 2

LIST OF DUE DILIGENCE MATERIALS

Each to the extent in Seller's possession:

A REQUESTED REPORTS

- 1 Detailed monthly operating income and expenses YTD and 3 prior years
- 2 Trailing 12 Months General Ledger
- 3 Current Year Balance Sheet
- 4 Current Year Budget
- 5 Supporting documentation for any non-unit rental income for the property.

B PROPERTY REPORTS

- 1 Prior Phase I environmental reports
- 2 Prior Property Condition Assessments
- 3 Prior Appraisals or market studies
- 4 Prior ALTA Surveys
- 5 Prior Title Report/Commitment
- 6 Architectural, mechanical, electrical, structural, and landscape plans, site map and as-built floor plans (hardcopy and electronic format if available)
- 7 Prior Radon reports
- 8 Mold/Moisture, Asbestos, Lead Based Paint O&M program information, if applicable
- 9 Detail of all units not currently earning revenue (model, down units, employee units etc.)
- 10 Capital improvements schedule for previous three (3) years
- 11 Warranties still in effect, including roof, subcontractor, vendor and capital warranties

C PROPERTY MANAGEMENT REPORTS

- 1 Concession Report
- 4 Move Out/Move In Reports (last 90 days)
- 5 Lease Expiration Report
- 6 Rent Roll
- 7 Security/Pet Deposit Report as of the same date as Rent Roll (if these ancillary deposits are not included in the Rent Roll)
- 8 Daycare/Parking/Storage income if not indicated on the rent roll
- 9 30, 60, 90-day Delinquent/Prepaid Report
- 10 Latest rent mark-up submission to HUD and latest HUD-approved RCS
- 11 Demographic Summary including any over-income tenants
- 12 List of Evictions (if any)

D CURRENT LEASE PROCEDURES

- 1 Sample Lease and Addendums
- 2 Sample Rental Application

E CONTRACTS/PERMITS/UTILITIES

- 1 Copies of all Permits and Inspections

- 2 Copies of all current Contracts
- 3 Copies of all Certificates of Occupancy, if any
- 4 Flood Elevation Certificates (if applicable)
- 5 Utility Bills – Trailing 3 months

F HUD/REGULATORY DOCUMENTS

- 1 Executed IRS Forms 8609
- 2 Any uncured written notice of noncompliance or IRS Forms 8823 issued by any Governmental Authority or its agent
- 3 Tax Credit Regulatory Agreement, extended use agreement
- 4 (signed and dated) Original HAP contract and all interim HAP renewals
- 5 Current HUD/FHA mortgage and note
- 6 Current HUD/FHA regulatory agreement
- 7 Most recent HUD MOR report
- 8 Last two most recent HUD REAC report
- 9 Last utility allowance baseline analysis/submission to HUD

G TAX AND INSURANCE INFORMATION

- 1 Prior 2 Years and Current Tax Bills
- 2 5 Year Loss Runs Report including the status of claims and any monies paid out
- 3 Schedule of Pending Litigation, if any

H OTHER REPORTS

- 1 Current Payroll Schedule, by position, not name (indicating which employee lives on site)
- 2 Non-Transferable Personal Property and Equipment Inventory – a listing of all personal property and equipment that will not be conveyed at Closing (e.g. equipment owned by the management company, Michaels HR manuals kept on-site, etc.)

SCHEDULE 6.1.11

Phase 1 Environmental Site Assessment prepared by Dominion Due Diligence Group for GMAC
Commercial Mortgage dated April 2, 2003, D3G#2003-086

[end of Schedule 6.1.11]

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (“Assignment”) is entered into as of December 2, 2020, by and between FAIRSTEAD ACQUISITIONS LLC, a Delaware limited liability company (“Assignor”) and ATLANTIS PRESERVATION LP, a Virginia limited partnership (“Assignee”) with reference to the following:

A. Assignor, as Purchaser, is a party to that certain Agreement for Purchase and Sale dated November 10, 2020, with CP ATLANTIC, L.P., a California limited partnership, as Seller, as amended (“Purchase Agreement”). Except as otherwise defined herein, all capitalized terms used herein have the meanings defined in the Purchase Agreement.

B. Assignor wishes to assign to Assignee and Assignee wishes to assume, all of Assignor’s right, title, interest and obligations under the Purchase Agreement, as to the Property described in the Purchase Agreement, on the terms and conditions set forth herein.

NOW, THEREFORE, for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby assigns to Assignee all of Assignor’s right, title, interest and obligations as Purchaser under the Purchase Agreement as to the Property described in the Purchase Agreement.


2. Assignee accepts the foregoing assignment and hereby assumes all of Assignor’s rights, title, interest and obligations as Purchaser under the Purchase Agreement as to the Property described in the Purchase Agreement.

3. Assignor hereby indemnifies, agrees to defend and to hold Assignee harmless from and against any and all claims, losses, expenses (including without limitation reasonable attorney’s fees and costs), obligations and liabilities arising from or accruing under the Purchase Agreement prior to the date of this Assignment. Assignee hereby indemnifies, agrees to defend and to hold Assignor harmless from and against any and all claims, losses, expenses (including without limitation reasonable attorneys’ fees and costs), obligations and liabilities arising from or accruing under the Purchase Agreement subsequent to the date of this Assignment.

4. This Assignment is made and delivered in the Commonwealth of Virginia and shall be construed under and governed by Virginia law.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first set forth above.

ASSIGNOR: FAIRSTEAD ACQUISITIONS LLC,
a Delaware limited liability company


By: 

John Tatum, Authorized Signatory

ASSIGNEE: ATLANTIS PRESERVATION LP,
a Virginia limited partnership

By: Atlantis Preservation GP LLC,
a Virginia limited liability company,
its General Partner

By: Fairstead Affordable LLC,
a Delaware limited liability company,
its Sole Member

By: 

John Tatum, Authorized Signatory

City of Virginia Beach Treasurer's Office

City of Virginia Beach Treasurer's Office
Municipal Center - Bldg 1
2401 Courthouse Drive
Virginia Beach, VA 23456

Tax Account	
Parcel ID	Last Update
24176465740000	12/9/2020 12:48:34 AM
Owner: CP ATLANTIC LP 3 E STOW RD STE 100 MARLTON NJ 08053-3188	SITUS: 101 SHORE VIEW CT 101
Legal Description	
CHATHAM PARCEL D 8.504 AC	

Tax Assessment							
				Gross Tax	Credit	Net Tax	
<u>City of Virginia Beach</u>				\$71,500.74	\$0.00	\$71,500.74	
This is a break down of the "City of Virginia Beach " funds...							<input type="button" value="Close"/>
Authority	Assessed Value	Exemption	Taxable	Net Rate	Gross Tax	Credit	Net Tax
City of Virginia Beach	\$7,027,100.00	\$0.00	\$7,027,100.00	0.0101750000	\$71,500.74	\$0.00	\$71,500.74
Total Tax				\$71,500.74	\$0.00	\$71,500.74	

Tax Installment Information							
Period	Bill Number	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	1121104811	12/7/2020	2021	\$0.00	\$0.00	\$0.00	\$0.00
INST 2	1121104811	6/7/2021	2021	\$35,750.37	\$0.00	\$0.00	\$35,750.37
Total Due:				\$35,750.37	\$0.00	\$0.00	\$35,750.37

Payment History				
Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2021	1121104811	B21.128297	\$35,750.37	12/04/2020

Under Virginia State Law, these real estate tax information records are public information. Display of this tax information on the Internet is specifically authorized by the **Code of Virginia § 58.1-3172.1**.

While the Real Estate Treasurer's Office has attempted to ensure that the tax information contained on this site is accurate and reflects the property's characteristics, the City of Virginia Beach and the Virginia Beach Treasurer's Office makes no warranties, expressed or implied, concerning the accuracy, completeness, reliability, or suitability of this information. The City of Virginia Beach and the Virginia Beach Treasurer's Office do not assume any liability associated with the use or misuse of this real estate tax information. **All payments made after the due date are considered late and penalty and interest will be applied.** Note that payments & balance dues may be as of the prior business day. If you have questions, please contact us at (757) 385-4445 or vbre4you@vb.gov

These use and privacy terms and conditions stated below incorporate any and all similar terms provided by vb.gov. In the event that there is a conflict between the provisions herein provided and those provided by vb.gov, the terms provided by vb.gov shall control.

City of Virginia Beach Treasurer's Office

City of Virginia Beach Treasurer's Office
 Municipal Center - Bldg 1
 2401 Courthouse Drive
 Virginia Beach, VA 23456

Tax Account	
Parcel ID	Last Update
24175468950000	12/9/2020 12:48:34 AM
Owner: CP ATLANTIC LP 3 E STOW RD STE 100 MARLTON NJ 08053-3188	SITUS: 101 BAY RIDGE CT 202
Legal Description	
CHATHAM 6.261 ACRES	

Tax Assessment							
	Gross Tax	Credit	Net Tax				
<u>City of Virginia Beach</u>	\$32,226.26	\$0.00	\$32,226.26				
This is a break down of the "City of Virginia Beach " funds...			<input type="button" value="Close"/>				
Authority	Assessed Value	Exemption	Taxable	Net Rate	Gross Tax	Credit	Net Tax
City of Virginia Beach	\$3,167,200.00	\$0.00	\$3,167,200.00	0.0101750000	\$32,226.26	\$0.00	\$32,226.26
Total Tax		\$32,226.26	\$0.00	\$32,226.26			

Tax Installment Information							
Period	Bill Number	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	1121101330	12/7/2020	2021	\$0.00	\$0.00	\$0.00	\$0.00
INST 2	1121101330	6/7/2021	2021	\$16,113.13	\$0.00	\$0.00	\$16,113.13
Total Due:				\$16,113.13	\$0.00	\$0.00	\$16,113.13

Payment History				
Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2021	1121101330	B21.128297	\$16,113.13	12/04/2020

Under Virginia State Law, these real estate tax information records are public information. Display of this tax information on the Internet is specifically authorized by the **Code of Virginia § 58.1-3172.1**.

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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 development's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this development's construction type to obtain certification.

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

Signed: [Signature]

Date: 1/22/21

Printed Name: Stacey Smith

Resnet Provider Agency
Viridian

RESNET Rater
Signature [Signature]

Provider Contact and Phone/Email Sean Evensen-Shanley (804)212-1934 /sean.shanley@viridian.org

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: 0vQNzWx2

HERS® Index Score:

80

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$432

*Relative to an average U.S. home

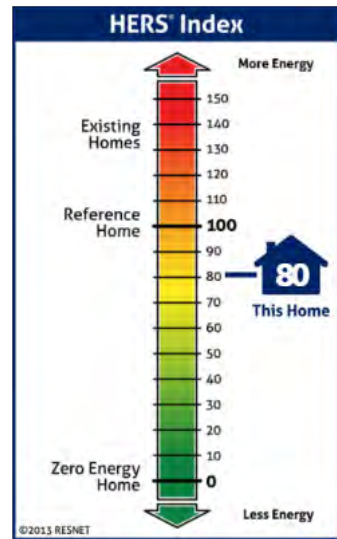
Home:
999 Atlantis Drive
Virginia Beach, VA 23451

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	6.0
Cooling	1.1
Hot Water	4.8
Lights/Appliances	11.0
Service Charges	
Generation (e.g. Solar)	0.0
Total:	22.9

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	1BR 1st Floor
Community:	Atlantis Apartments
Conditioned Floor Area:	688 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating:	Water Heater • Electric • 0.92 UEF
House Tightness:	1875 CFM50 (18.49 ACH50)
Ventilation:	None
Duct Leakage to Outside:	90 CFM @ 25Pa (13.09 / 100 s.f.)
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.3, SHGC: 0.3
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Stacey Smith
RESNET ID: 2279319

Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220

Stacey Smith, Certified Energy Rater
Digitally signed: 1/22/21 at 8:26 AM



G

Zoning Certification Letter
(MANDATORY)



City of Virginia Beach

VBgov.com

PLANNING DEPARTMENT
ZONING DIVISION
(757)385-8074
FAX (757) 385-4649

2875 SABRE STREET, SUITE 500
VIRGINIA BEACH, VA 23452

January 8, 2021

Armada Analytics

Re: 999 Atlantis Dr
Virginia Beach, VA
GPIN: 2417-64-6574 / 2417-54-6895

To whom it may concern,

The above referenced property is zoned (A-18) Apartments. This zoning allows Apartment uses. All other uses for this zoning can be viewed at www.municode.com.

At present, staff is unaware of any outstanding zoning violations. Therefore, staff believes this site is in compliance with all applicable zoning ordinance requirements.

No Board of Zoning Appeals variances were found for the referenced site.

A conditional use permit is attached for the property.

These determinations are based in whole or in part from the information provided, official zoning maps and current City Zoning Ordinance. For your convenience, I have provided a copy of the official zoning maps as it pertains to the referenced site. Further zoning and/or use requirements for this Zoning District can be found at the following website: www.vbgov.com/government/departments/planning/zoning

To obtain copies of a certificate of occupancy and information regarding building code violations, please contact the Permits and Inspections Division at (757) 385-4211 (prompt #3) for assistance.

In accordance with Section 15.2-2311 of the Code of Virginia, you have the right to appeal this decision/Notice of Violation to the Board of Zoning Appeals within 30 days. The appeal application and additional information regarding the filing of an appeal may

be obtained at the Zoning Division located at 2875 Sabre Street, Suite 500, Virginia Beach, VA 23452, from the City's Web Site at <http://www.vbgov.com/BZA>, or by calling the Zoning Division at (757) 385-8074. The application, along with a filing fee in the amount of **\$400.00** for residential uses (includes costs of notification and advertising) and **\$500.00** for commercial uses (includes costs of notification and advertising), payable to the Treasurer, City of Virginia Beach, must be filed with the Zoning Division. If you do not appeal, this decision/Notice of Violation shall be final and unappealable.

If I can be of further assistance, please give me a call at (757) 385-5067 or email khershbe@vbgov.com.

Sincerely,

Kevin Hershberger

Zoning Supervisor
khershbe@vbgov.com

C: Property Owner



Chicago Title Insurance Company

EXHIBIT A - LEGAL DESCRIPTION

REMAINDER OF PARCEL A:

All that certain tract, piece or parcel of land, designated as Parcel A, lying, situated and being in the City of Virginia Beach, Virginia as shown on the plat entitled "Subdivision of the Atlantis Apartments For The Atlantis Apartments, Inc.", made by Marsh and Basgier, Consulting Engineers and Surveyors, dated June 1970, and being recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, in Map Book 86, at Page 9.

LESS, SAVE AND EXCEPT Approximately 0.054 acres shown on sheet 4 on the is for State Highway Project U000-134-106, RW-201 shown in Certificate recorded July 14, 1976, in Deed Book 1582, at Page 46.

And being more particularly described as follows: Beginning at a point at the northeast intersection of North Birdneck Road and Hope Avenue; thence along north Birdneck Road N 52 deg 14' 30" E. 19.49 feet to a point, said point being the true point of beginning; thence continuing along said right-of-way line N 52 deg 14' 30" E 150.76 feet to a point of curvature; thence continuing along said right-of-way line along a curve to the left having a radius of 863.51 feet, an arc distance of 21.00 feet to a point; thence turning and leaving said right-of-way line and running S 52 deg 36' 00" E. 728.80 feet to a point on the western right-of-way line of Beach Town Drive; thence turning and running along said right-of-way line S 37 deg 24' 00" W. 124.94 feet to a point of curvature; thence continuing along a curve to the right, having a radius of 60.00 feet, an arc distance of 94.25 feet to a point of tangency on the northern right-of-way line of Hope Avenue; thence running along said right-of-way line N 52 deg 36' 00" W. 698.05 feet to a point of curvature; thence continuing along a curve to the right, having a radius of 15.00 feet, an arc distance of 27.45 feet to the point of beginning.

PARCEL B:

All that terrain tract, piece or parcel of land, designated as Parcel B, lying, situated and being in the City of Virginia Beach, Virginia as shown on the plat entitled "SUBDIVISION OF THE ATLANTIC APARTMENTS FOR THE ATLANTIS APARTMENTS INC.", made by Marsh and Basgier, Consulting Engineers and Surveyors, dated June, 1970, and being, recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, in Map Book 86, at Page 9. And being more particularly described as follows:

Beginning at a point on the eastern right-of-way line of Beach Town Drive at it's intersection with the Northern right-of-way line of Hope Avenue (30 feet in width); thence running along said eastern right-of way line of Beach Town Drive N 37 deg 24' 00" E. 200.00 feet to a point of curvature, thence along the arc of a curve to the right having a radius of 50.00 feet, and arc distance of 78.54 feet to a point of reverse curvature on the southern right-of-way line of Atlantis Drive; thence continuing along the arc of a curve to the left having a radius of 482.46 feet, an arc distance of 235.83 feet to a point of tangency; thence turning and running along said southern right-of-way line of Atlantis Drive S 80 deg 36' 22" E. 386.36 feet to a point of curvature; thence continuing along the arc of a curve to the right having a radius of 265.00 feet, an arc distance of 188.33 feet to a point of tangency; thence continuing S 39 deg 53' 15" E. 117.33 feet to a point of curvature; thence continuing, along the arc of a curve to the left having a radius of 245.00 feet, an arc distance of 174.12 feet to a point of tangency; thence continuing S 80 deg 36' 22" E. 152.98 feet to a point of curvature; thence continuing along the arc of a curve to the left having a radius of 50.00 feet, an arc distance of 121.54 feet to a point; thence turning and leaving said southern right-of way line of Atlantis Drive and running S 39 deg 53' 15" E. 341.69 feet to a point; thence turning and running N 80 deg 36' 22" W. 1275.41 feet to a point; thence turning and running N 52 deg 16' 00" W. 413.68 feet to the point of beginning.

BEING the same real estate conveyed to CP Atlantic, L.P., a California limited partnership by Deed from Century Pacific Housing Partnership XIII, a California limited partnership dated June 22, 2004, recorded June 29, 2004 in the Clerk's Office, Circuit Court, City of Virginia Beach, Virginia, recorded as Instrument No. 200406290100638.

H

Attorney's Opinion
(MANDATORY)

WILLIAMS MULLEN

February 22, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Atlantis Apartments
Name of Owner: Atlantis Preservation 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 February 22, 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 Parts VIII and IX 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 Part VIII of the Application form and (b) of the Estimated Qualified Basis of each building in the Development in Part IX 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 information set forth in Subpart VII-C of the Application form as to proposed rents exceeds the Code income restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in Subpart II-A of the Application.
5. It is more likely than not that the representations made under Subpart I-F of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure

WILLIAMS MULLEN

requirements for rehabilitation projects are correct.

6. After reasonable investigation, the undersigned has no reason to believe that the representations made under Subpart I-E 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.

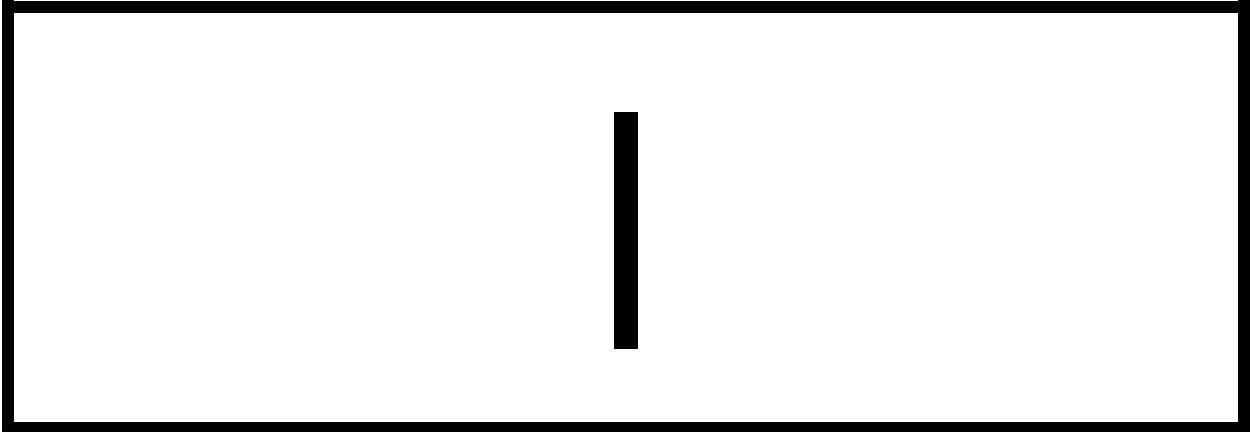
Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code 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.

WILLIAMS MULLEN, a professional corporation

By: *Alyssa Carducci Dangler*
Alyssa Carducci Dangler
Its: Shareholder



Nonprofit Questionnaire

(MANDATORY for points or pool)

Not Applicable

J

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

ATLANTIS APARTMENTS

**999 ATLANTIS DRIVE,
VIRGINIA BEACH, VA**

RELOCATION PLAN

**Prepared for
Atlantis Preservation LP
c/o Fairstead Affordable LLC**

February 2021

1. INTRODUCTION

Fairstead Affordable LLC (“Fairstead”) specializes in the acquisition, rehabilitation and preservation of affordable housing. With over 10,000 units, Fairstead is rapidly becoming a significant provider of affordable housing throughout the nation.

Fairstead – through an affiliated limited partnership, Atlantis Preservation LP, (“LP” or “Developer”) proposes to acquire and undertake an extensive rehabilitation of the Atlantis Apartments (“Development”).

2. THE PROJECT

The subject property is located at 999 Atlantis Drive, Virginia Beach, in the Commonwealth of Virginia. Located north of Norfolk Ave and west of downtown Virginia Beach, the subject’s immediate area is primarily multifamily and single family residential. Please see Attachment 1, Figures 1 and 2, of the Regional and Site-specific location.

The family project has 20 one-bedroom units, 96 two-bedroom units, and 92 three-bedroom units located within nineteen (19) garden-style apartment buildings. The Development also offers a community room, laundry facilities and on-site management office. There are currently three (3) vacant units.

The Development offers 208 units of affordable housing to residents meeting the qualifications of the project’s existing Project Based Section 8 (“HAP”) contract. Fairstead intends to extend the affordability, viability and sustainability of the Project.

The Developer has budgeted an approximate \$14.5 million hard cost construction budget for the upcoming renovation of the existing buildings (\$70,000/unit). Residential units will receive new cabinetry, stainless steel appliances, flooring, lighting, upgraded bathrooms along with HVAC system and plumbing and electrical upgrades. Buildings will receive new roofs and windows. Common area or site upgrades include ADA/HVI conversions, new flooring, upgrades to hallways and common amenity spaces. Eleven units will be upgraded to comply with UFAS standards, and an additional five units will receive Hearing and Visually Impaired (HVI) upgrades. These eleven UFAS units will undergo a more significant scope of work than the remaining 197 units due to the work involved and may take longer to complete.

The project will comply with all General Plan guidelines, housing element and zoning requirements of the locality and be compatible with adjacent land uses. There is no foreseen negative impact on the surrounding neighborhood.

Prospective funding sources for the project include a Freddie Mac Tax Exempt Loan backed by Virginia Beach Development Authority-issued tax-exempt bonds and 4% low income housing tax credits (“LIHTC”) from Virginia Housing. The existing HAP contract is proposed to be renewed for an additional 20 years.

The Developer will provide any required relocation assistance to the households if they are temporarily relocated.

This Plan sets forth policies and procedures which would be necessary to conform to statutes and regulations established by the Federal, Uniform Relocation Act (46 U.S.C. § 4600 et seq.), its implementing regulations (49 C.F.R.) Part 24); and the funding agencies’ own rules and regulations, including HUD 1378 and the Virginia Housing Corporation’s rules and regulations.

It should be noted that, with certain narrow exceptions, Federal funds cannot be used for any “relocated person” who is an alien not lawfully present in the United States. Recent certifications by property management indicate that all residents have legal presence. Fairstead will follow FHWA’s guidance provided under the URA Frequently Asked Questions (FAQ’s).

No mandatory relocation activities will take place prior to the required reviews and approval of this Plan.

3. RELOCATION PLAN

This Relocation Plan has been prepared in accordance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (the ‘Uniform Act’); and HUD 1378 and the Virginia Housing Corporation rules and regulations.

No relocation activities will take place prior to the required reviews and approval of this Plan. In order to attain its overall development goals for the Project, it is the Developer’s intention to provide a fair and equitable relocation program for all eligible residents.

A. COVID-19 Precautions

In an effort to ensure resident safety throughout the ongoing COVID-19 pandemic (as of winter 2020-21), health and safety guidelines and precautions recommended by local, state and federal authorities will be included as part of the general contractor’s work process. All third-party contractors will abide by

the aforementioned guidelines, including the wearing of personal protective equipment (PPE), physical distancing while on-site, and regular cleaning/disinfecting prior to completing each workday.

The Developer will remain abreast of updates to COVID-19 guidance by the Centers for Disease Control and Prevention (CDC), state and local authorities, including OSHA, EPA and VDH Guidelines and where necessary, will revise and adopt updated policies to ensure the safety of residents, staff, workers, and visitors for the duration of the work.

General Contractor/Sub-Contractor Employee Responsibilities

It is critical that employees not report to work while they are experiencing illness symptoms such as a fever, cough, and/or shortness of breath. Any employee who is feeling symptomatic (fever, cough, shortness of breath) or who has been in contact with someone who has been confirmed to have COVID-19 will notify their immediate supervisor, supervisors will then pass the information on to all concerned parties.

Employees should seek medical attention if they develop these symptoms.

The ODH, OSHA and the CDC have provided the following control and preventive guidance for all workers, regardless of exposure risk:

1. Frequently wash your hands with soap and water for at least 20 seconds. When soap and running water are unavailable, use an alcohol-based hand rub with at least 60% alcohol.
2. Avoid touching your eyes, nose, or mouth with unwashed hands.
3. Follow appropriate respiratory etiquette, which includes covering for coughs and sneezes.
4. Avoid close contact with people who are sick.
5. In addition, employees must familiarize themselves with the symptoms of COVID-19, which include, but are not limited to the following:
 - a) Coughing
 - b) Fever
 - c) Shortness of breath, difficulty breathing
6. Likewise, if an employee comes into close contact with someone showing these symptoms, call your supervisor and healthcare provider right away.

Construction Jobsite Protective Measures

To protect employees and the public from the spread of COVID-19, The construction company will screen its employees and ensure that our subcontractors are screening their employees each day before work by following these steps:

1. Enhanced Worker Education

Specialized communications and posters on the importance of frequent hand washing and hygiene, cough and sneeze protocols, along with the mandate to stay home when an employee is feeling sick or has an elevated temperature (100.4 degrees or higher). All employees must diligently observe these requirements.

2. Daily Employee Screening

Any employee or subcontractor's employee who will not, or have not complied with this guideline will be sent home until they are compliant.

Daily Sign in will be suspended, so that employees do not have to handle a common pencil/ pen. Foremen will visually confirm an employee's attendance and time of arrival and note it on the daily attendance sheet.

3. Subcontractors will be expected to follow these guidelines as well and submit their sign-in sheets to The construction company Designated Workplace Coordinators.

4. Any employee or subcontractor's employee who is unable to check their temperature will be asked the following questions:

- a) To the best of your knowledge, have you, or anyone in your family been in contact with a person that is in the process of being tested for COVID-19?
 - b) Have you, or anyone in your family traveled outside of the United States within the last two weeks?
 - c) Have you been advised to self-quarantine due to possible exposure to COVID-19?
 - d) Are you having trouble breathing or have you had a fever (100.4 or higher) or cough within the last 48 hours?
5. If an employee answers "YES" to any of these questions, that employee should be encouraged to contact their healthcare provider and must stay home until:
- a. they are free of fever (without the use of medication) for at least 72 hours (three full days); AND
 - b. symptoms have improved for at least 72 hours; AND
 - c. At least 7 days have passed since symptoms first began.

6. The construction company will not require a healthcare provider's note to validate the illness or return to work of an employee with acute respiratory illness because healthcare provider offices and medical facilities may be extremely busy and not able to provide such documentation in a timely manner.

7. The Designated Workplace Coordinator will be able to provide said sign in sheet upon request from an authority. The sign in sheet should include the names of each person entering the job-site as well as confirmation that the above Daily Employee Screening protocol has been followed with respect to each person.

Construction Jobsite Visitors

- i. The number of visitors to the job site, including the trailer or office, will be limited to only those necessary for the work.
- ii. All visitors will be screened in advance of arriving on the job site. If the visitor answers “yes” to any of the following questions, he/she should not be permitted to access the jobsite:
 1. To the best of your knowledge, have you, or anyone in your family, been in contact with a person that is in the process of being tested for COVID-19?
 2. Have you, or anyone in your family traveled outside of the United States within the last two weeks?
 3. Have you been advised to self-quarantine due to possible exposure to COVID- 19?
 4. Are you having trouble breathing or have you had a fever (100.4 or higher) or cough within the last 48 hours?
- iii. Site deliveries will be permitted but should be properly coordinated in line with the employer’s minimal contact and cleaning protocols. Delivery personnel should remain in their vehicles if at all possible.

Social Distancing Measures

Construction jobsites are NOT densely populated work areas.

Nevertheless, the following should also be taken across the industry:

- a) Workers should be instructed to observe a minimum distance of six (6) feet between individuals as much as reasonably possible to increase physical space between each individual at the worksite. This includes pre-work and post-work events of all kinds.
- b) The construction company will change their jobsite communications, planning, and schedules to shrink or eliminate group gatherings. This includes minimizing or the elimination of pre-job conferences, communal break locations, and activity that would bring a group of people together on the jobsite. Policies for material deliveries and other third-party jobsite visits should be altered. These and other measures – which include remote work should be considered and implemented.

- c) Start and end times should be staggered to allow Projects to proceed and allow more space between workers to comply with Social Distancing requirements.
- d) Elevators and hoists should be limited to no more than 3 people if Social Distancing cannot be maintained with more people.
- e) No more than 10 workers will be allowed in an area of 400 sq. ft. or less.
- f) Workers will take designated breaks and lunches in small groups of 2-3 people.
- g) If needed scheduled breaks and lunch times will be staggered to permit distancing.
- h) If workers must perform tasks which require them to be in closer proximity than the commonly accepted 6' social distancing requirement, then enhanced procedures must be implemented, these include but are not limited to workers wearing gloves, masks, and protective clothing. Contact the construction company Safety Manager prior to performing such tasks.

Job Site Cleaning and Disinfecting

1. Some type of handwashing facility will be available at all the construction company's sites. Hand washing stations will be stocked with soap and paper towels.
2. Routine cleaning should be performed on all common areas and frequently touched surfaces on the jobsite several times per shift. This includes, but is not limited to, workstations, countertops, handles, doorknobs, gang boxes, shared tools and equipment.
3. Avoid using pressurized air or water spray type cleaning techniques that may result in the generation of bio-aerosols.
4. Restrooms and Hand Cleaning Facilities:
5. In addition to daily cleaning, the responsible company should service portable restrooms at a least three (3) times a week.
6. Lunch and Break Areas
 - a. All common break areas, lunch and break rooms should be cleaned multiple times throughout the work day.
 - b. Do not allow individuals to congregate in lunch or break areas.
 - c. No communal food should be permitted on the jobsite until further notice, i.e. donuts, pizza, buffets, etc.
 - d. Do not use a common water cooler. Provide individual water bottles or instruct workers to bring their own.
7. Tools & Equipment
 - a. Tools and equipment should be cleaned daily
 - b. Sharing of tools or any multi-user electronic devices and accessories should be prohibited, e.g. iPads, laptops, hand-held radios, computer stations, etc.
 - c. Disinfect reusable supplies and equipment
8. Personal Protection Equipment (PPE)
 - a. Sharing of personal protection equipment (PPE) should be prohibited. Reusable PPE should be sanitized per manufacturer's recommendation prior to each use. Used PPE should be disposed of properly.

- b. When cleaning, use disposable gloves where appropriate and instruct employees to wash hands after removing gloves.
9. Identify Specific Locations and Practices for Daily Trash - paper, hand towels, food containers, etc. Instruct workers responsible for trash removal in proper PPE/hand washing practices.
 - a. Clean surfaces of service/fleet vehicles, steering wheel, gearshift, instrument panels, etc; use aerosol sanitizers inside closed cabs.

OSHA Record Keeping

If a confirmed case of COVID-19 is reported, the The construction company will determine if it meets the criteria for recordability and reportability under OSHA’s recordkeeping rule. OSHA requires construction employers to record work-related injuries and illnesses that meet certain severity criteria on the OSHA 300 Log, as well as complete the OSHA Form 301 (or equivalent) upon the occurrence of these injuries. For purposes of COVID-19, OSHA also requires employers to report to OSHA any work- related illness that (1) results in a fatality, or (2) results in the in-patient hospitalization of one or more employee. “In-patient” hospitalization is defined as a formal admission to the in-patient service of a hospital or clinic for care or treatment.

OSHA has made a determination that COVID-19 should not be excluded from coverage of the rule – like the common cold or the seasonal flu – and, thus, OSHA is considering it an “illness.” However, OSHA has stated that only confirmed cases of COVID-19 should be considered an illness under the rule. Thus, if an employee simply comes to work with symptoms consistent with COVID-19 but is not a confirmed diagnosis, the recordability analysis is not necessarily triggered at that time.

If an employee has a confirmed case of COVID-19, The construction company will conduct an assessment of any workplace exposures to determine if the case is work- related. Work-relatedness is presumed for illnesses that result from events or exposures in the work environment, unless it meets certain exceptions. One of those exceptions is that the illness involves signs or symptoms that surface at work but result solely from a non-work-related event or exposure that occurs outside of the work environment. Thus, if an employee develops COVID-19 solely from an exposure outside of the work environment, it would not be work-related, and thus not recordable.

The construction company assessment will consider the work environment itself, the type of work performed, the risk of person-to-person transmission given the work environment, and other factors such as community spread. Further, if an employee has a confirmed case of COVID-19 that is considered work-related, the construction company will report the case to OSHA if it results in a fatality within 30 days or an in- patient hospitalization within 24-hours of the exposure incident.

B. Construction Phasing

Renovation work is anticipated to commence within 30 days of closing. Closing is currently anticipated to take place in mid-May 2021, and construction work will commence in mid-June. All work will be completed by mid-August 2022 (approximately 14-month construction period).

There are 208 total units at the property. The project has been divided into 52 project phases, with each phase containing four adjacent units (also called a “module”). Assuming that these are non-UFAS-designated units, the construction duration on each module is approximately 30 to 40 days, and the general contractor will begin working on a new module every week. For example:

Week 0 – Residents from Module 1 are relocated

Week 1 – GC begins work on Module 1

Week 2 – GC continues working on Module 1, begins Module 2

Week 3 – GC continues working on Modules 1 and 2, begins Module 3

Week 4 – GC completes Module 1, continues working on Modules 2 and 3, begins Module 4

Week 5 – Residents from Module 1 return to completed units

As such, leaving aside UFAS-designated units, no more than 16 units will be worked on (with residents relocated) at any point in time.

C. Hiring a Construction Liaison and Conducting Resident Interviews Pre-Relocation

Prior to the commencement of any relocation activities, Fairstead will be employing a full-time construction liaison to be the single point of contact between the Developer, residents, General Contractor and management staff. The construction liaison will be fully dedicated to organizing, arranging and coordinating all logistic matters related to resident relocation during the construction period.

Upon joining the site team, the construction liaison will conduct interviews with the current residents living at the Project site. Inquiries made of the occupants will include primary language in the home, disabilities and health problems, and preferences related to temporary replacement housing and location.

Relocation activities will consider individual household needs to be close to public transportation, medical facilities, employment, schools, public/social services and agencies, recreational services, parks, community centers, or shopping. Relocation activities will also accommodate any medical/health considerations.

Relocation Assistance information and assistance will be provided in the primary language of the relocated occupants, in order to assure that all relocated occupants obtain a complete understanding of

the relocation plan and eligible benefits. English was identified as the primary language spoken by the residents at the Development.

The standard housing density utilized provides for two (2) persons per bedroom and one person in a common living area for tenant occupied units although, this can be adjusted to include two persons in the common living area. There is currently no overcrowding at the Development.

D. Temporary Onsite Relocation versus Offsite Relocation

It is important to note that no residents are intended to be relocated because of renovation/rehabilitation work at the property.

The construction liaison will conduct interviews with residents to determine housing preferences or residents' reported need to be close to various services. In addition, health needs, which will require special consideration for accessibility, will be identified.

Information gathered from resident surveys will be used to most effectively relocate residents in accordance with their preferences and needs. The contractor will develop its schedule to minimize disruption to the households.

In general, residents will be divided into two groups:

- (1) residents who require a transfer to one of the eleven UFAS-designated units and
- (2) residents who do not need a UFAS unit.

Group 1 residents will likely face a longer duration of construction due to the significant amount of work to reconfigure units to meet UFAS standards. It is also very likely that Group 1 residents require special consideration from a health or disability standpoint, and as such, Group 1 residents will be prioritized for onsite relocation. This means utilizing currently vacant units for onsite relocation. As of February 2021, there are 6 vacant units on site.

Group 1 residents will be temporarily relocated to an onsite vacant unit for approximately 90 to 120 days, which is the estimated duration of construction on a UFAS-designated unit.

Group 2 residents' apartments will undergo renovations per the typical construction duration, which is estimated to take 30 to 40 days.

During the interview/tenant survey, the following relocation options will be reviewed with Group 2 residents:

1. Temporarily move to a vacant unit on-site during construction (if available); or
2. Temporarily move off-site to stay with family/relatives through their own coordination; or
3. Temporarily move off-site to stay at a to-be-confirmed long-stay apartment complex or hotel

Residents that opt for Option 1, subject to availability of onsite vacant units, will have their belongings and large furniture moved from their existing unit to the new vacant unit. Fairstead will employ movers through a licensed moving company to conduct the moves at Fairstead's cost. All movers will also be expected to adhere to the COVID 19 guidelines that govern employees of the general contractor/subcontractors. Upon completion, the movers will move the residents back to their original, completed unit.

Residents that opt for Option 2 are eligible for a one-time ex gratia payment per Attachment 3. Fairstead will offer to move their large furniture and belongings into storage (whether at a nearby storage facility or onsite through storage PODs) and will also handle all payments for storage facility/PODs rental payments. Upon completion, the movers will move the residents back to their original, completed unit.

Residents that opt for Option 3 will have their belongings and large furniture moved from their existing unit into storage (whether at a nearby storage facility or onsite through storage PODs). Residents will only need to pack their essentials for an approximately month-long stay at the off-site long-stay apartment complex or hotel. Fairstead will cover all charges related to movers, storage facility/PODs rental, apartment rent or hotel charges, as well as transportation from the property to the hotel and back to the property upon construction completion.

Fairstead is actively negotiating long-stay arrangements with the following facilities:

- **Extended Stay America – Virginia Beach - Independence Blvd**
4548 Bonney Road, Virginia Beach (13-minute drive from Atlantis Apartments)
- **InTown Suites Extended Stay**
416 S Independence Blvd, Virginia Beach (15-minute drive from Atlantis Apartments)
- **Woodspring Suites Virginia Beach**
4800 Alicia Drive, Virginia Beach (13-minute drive from Atlantis Apartments)

The abovementioned facilities observe strict COVID 19 cleaning and social distancing protocols and will adhere to the necessary CDC health and safety guidelines to keep our residents safe.

Prior to a resident occupying a long-stay apartment or hotel room, the construction liaison will conduct walkthrough inspections of the apartments/rooms in order to determine that they are suitable for relocation. Only upon the construction liaison's sign-off will the resident be relocated offsite.

E. Communication with Residents

Once the project is closer to closing, Fairstead will conduct a series of resident meetings at the property. These meetings can be conducted through different parts of the day to ensure maximum attendance, and also to ensure that social distancing is adhered to.

Attendees at the resident meetings are representatives of Fairstead (including members of the acquisitions team and construction management team), representatives of property manager, representatives of general contractor (including the project manager and appointed site superintendent).

The resident meeting will cover the general renovation plan, project schedule as well as relocation plan. The meetings will also be a forum for any questions or concerns that residents may have.

Subsequently, all resident communications will be handled by the construction liaison, whether by phone or in person.

All households will also receive a Notice of Non-Relocation/General Information Notice (see Attachment 2). Subsequently, residents will be issued a 30-day notice, a 14-day notice and a seven-day notice prior to the commencement of construction work/relocation, in addition to ongoing interactions with the construction liaison.

F. Program Assurances and Standards

There shall be adequate funds budgeted to relocate all temporarily relocated households. All relocation services will be provided by the Developer to ensure that relocation does not result in different, or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as well as any otherwise arbitrary, or unlawful discrimination.

G. Relocation Expenses

Residential Moving Expense Payments

Any and all costs associated with any required moving and storage will be paid by the Developer. The Developer will also work with the general contractor to ensure any resident belongings that are moved as part of the relocation will be sanitized in accordance with COVID-19 guidance prior to resident reoccupation of the unit.

The relocated tenants will receive the services of a licensed, professional mover to perform the move; the Developer will pay for the actual cost of the moves.

Temporary Relocation

Eligible households, subject to the Developer's approval, wishing to move temporarily from the project for the duration of their relocation, to housing not identified by the Developer (such as with family and/or friends) will be reimbursed pursuant to a pre-determined schedule (Attachment 3).

Due to the temporary nature of such a move, the Developer will also make accommodations for the storage of personal property, as necessary.

Those households which will be relocated to available vacant units on-site will be offered the services of a mover. In addition, each household will be provided a per-diem allowance for any day the kitchen is unusable, if applicable.

H. Eviction Policy

Eviction by the Developer is permissible only as a last alternative. With the exception of persons considered to be in unlawful occupancy, a relocated person's eviction does not affect eligibility for relocation assistance and benefits. Relocation records must be documented to reflect the specific circumstances surrounding the eviction.

Eviction may be undertaken only for one or more of the following reasons:

1. (if the 2020-2021 CDC moratorium is lifted) Failure to pay rent, except in those cases where the failure to pay is due to the Lessor's failure to keep the premises in habitable condition; is the result of harassment or retaliatory action; or, is the result of discontinuation or substantial interruption of services;
2. Performance of a dangerous, and/or illegal act in the unit by tenant, tenant's guest(s) and/or invitee(s) or any combination thereof;
3. A material breach of the rental agreement and failure to correct breach within 30 days of notice;
4. Maintenance of a nuisance, and failure to abate within a reasonable time following notice;
5. A requirement under State, or local law or emergency circumstances that cannot be prevented by reasonable efforts on the part of the public entity.

I. Estimated Relocation Costs

Fairstead Affordable LLC and the Developer pledges to appropriate the necessary funds on a timely basis, using LIHTC's and tax-exempt bond financing, to ensure the successful completion of the project.

Any and all required financial assistance will be provided. The anticipated budget for relocation benefits including implementation services and oversight is as follows:

RELOCATION PLAN – ATLANTIS APARTMENTS

Items	Cost
Movers/Moving Costs	\$200,000
PODS/Storage Unit Costs	\$20,000
Off-site Housing	\$500,000
Packing Materials	\$10,000
Resident Reimbursements	\$20,000
Contingency	\$100,000
TOTAL	\$850,000

TABLE OF ATTACHMENTS

Attachment 1: Project Site Maps

Attachment 2: Notice of Non-Relocation/General Information Notice

Attachment 3: Resident Reimbursement Schedule

**ATTACHMENT 1
PROJECT SITE MAPS**

Figure 1 Regional Location (star indicates the property)

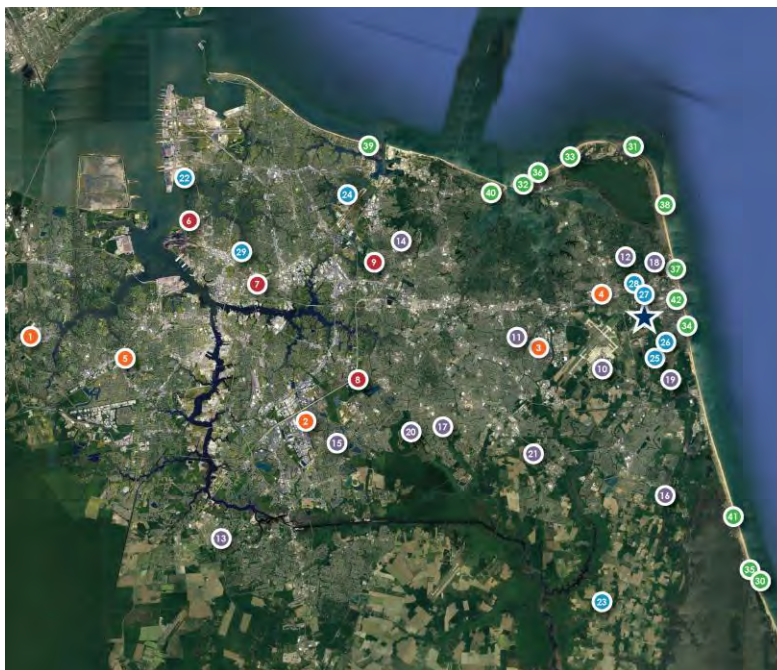


Figure 2 Site-specific Location



ATTACHMENT 2
GENERAL INFORMATION NOTICE RESIDENTIAL TENANT NOT RELOCATED

_____ (date)

Dear Tenant:

Atlantis Preservation LP is interested in rehabilitating the property you currently occupy at 999 Atlantis Drive, Virginia Beach, VA 23451 for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Section 8 program.

The purpose of this notice is to inform you that you will not be relocated in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a relocated person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

- This is **not** a notice to vacate the premises.
- This is **not** a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact:

John Tatum
John.Tatum@fairstead.com
(212) 798 4080

Sincerely,

Atlantis Preservation LP,
a Virginia limited partnership

By: Atlantis Preservation GP LLC,
a Virginia limited liability company,
its sole general partner

By: _____
Name: _____
Title: _____

NOTICE OF NONRELOCATION TO RESIDENTIAL TENANT

_____ (date)

Dear Tenant:

On _____, Atlantis Preservation LP notified you of proposed plans to rehabilitate the property you currently occupy at 999 Atlantis Drive, Virginia Beach, VA 23451 for a project which could receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Section 8 program. On _____, the project was approved and will receive federal funding. Repairs will begin soon.

- **This is a notice of nonrelocation.** You will not be required to move permanently as result of the rehabilitation.

This notice guarantees you the following:

1. Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions. Your monthly rent and estimated average utility costs will not exceed the amount approved by HUD.
2. If you must move temporarily so that the rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from temporary housing and any increased interim housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you **not to move**. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal funding is involved in this project, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Of course, you must continue to comply with the terms and conditions of your lease.

If you have any questions, please contact:

John Tatum

John.Tatum@fairstead.com

(212) 798 4080

This letter is important to you and should be retained.

Sincerely,

Atlantis Preservation LP,
a Virginia limited partnership

By: Atlantis Preservation GP LLC,
a Virginia limited liability company,
its sole general partner

By: _____

Name: _____

Title: _____

ATTACHMENT 3
RESIDENT REIMBURSEMENT SCHEDULE

Relocation Option	Reimbursement Schedule
If resident falls into Group 2 (non-UFAS unit):	
If resident moves to a vacant unit on-site	N/A [Developer covers all relocation-related expenses]
If resident temporarily moves to stay with family/relatives of their own arrangement	\$500 one-time payment per unit
If resident temporarily moves off-site to a hotel/apartment location	N/A if moved to an apartment or hotel with cooking amenities \$30 per day if moved to a hotel without cooking amenities [Developer covers all relocation-related expenses]

Atlantis Apartments - Conceptual Phase Plan/Unit Delivery Schedule

Pre-Renovation					TARGET DATES					
Module #	On Site Unit #	Building Number	#BR	Tenant Name	Tenant Packed Date	Tenant Moveout Date	Construction Start Date	Construction End Date	Proj. Unit Occupied Date	Notes
1		1			6/14/2021	6/17/2021	6/18/2021	7/16/2021	7/21/2021	
2		1			6/21/2021	6/24/2021	6/25/2021	7/23/2021	7/28/2021	
3		2			6/28/2021	7/1/2021	7/2/2021	7/30/2021	8/4/2021	
4		2			7/5/2021	7/8/2021	7/9/2021	8/6/2021	8/11/2021	
5		2			7/12/2021	7/15/2021	7/16/2021	8/13/2021	8/18/2021	
6		2			7/19/2021	7/22/2021	7/23/2021	8/20/2021	8/25/2021	
7		3			7/26/2021	7/29/2021	7/30/2021	8/27/2021	9/1/2021	
8		3			8/2/2021	8/5/2021	8/6/2021	9/3/2021	9/8/2021	
9		4			8/9/2021	8/12/2021	8/13/2021	9/10/2021	9/15/2021	
10		4			8/16/2021	8/19/2021	8/20/2021	9/17/2021	9/22/2021	
11		5			8/23/2021	8/26/2021	8/27/2021	9/24/2021	9/29/2021	
12		5			8/30/2021	9/2/2021	9/3/2021	10/1/2021	10/6/2021	
13		5			9/6/2021	9/9/2021	9/10/2021	10/8/2021	10/13/2021	
14		5			9/13/2021	9/16/2021	9/17/2021	10/15/2021	10/20/2021	
15		6			9/20/2021	9/23/2021	9/24/2021	10/22/2021	10/27/2021	
16		6			9/27/2021	9/30/2021	10/1/2021	10/29/2021	11/3/2021	
17		7			10/4/2021	10/7/2021	10/8/2021	11/5/2021	11/10/2021	
18		7			10/11/2021	10/14/2021	10/15/2021	11/12/2021	11/17/2021	
19		7			10/18/2021	10/21/2021	10/22/2021	11/19/2021	11/24/2021	
20		8			10/25/2021	10/28/2021	10/29/2021	11/26/2021	12/1/2021	
21		8			11/1/2021	11/4/2021	11/5/2021	12/3/2021	12/8/2021	
22		8			11/8/2021	11/11/2021	11/12/2021	12/10/2021	12/15/2021	
23		9			11/15/2021	11/18/2021	11/19/2021	12/17/2021	12/22/2021	
24		9			11/22/2021	11/25/2021	11/26/2021	12/24/2021	12/29/2021	
25		10			11/29/2021	12/2/2021	12/3/2021	12/31/2021	1/5/2022	
26		10			12/6/2021	12/9/2021	12/10/2021	1/7/2022	1/12/2022	
27		10			12/13/2021	12/16/2021	12/17/2021	1/14/2022	1/19/2022	
28		10			12/20/2021	12/23/2021	12/24/2021	1/21/2022	1/26/2022	
29		11			12/27/2021	12/30/2021	12/31/2021	1/28/2022	2/2/2022	
30		11			1/3/2022	1/6/2022	1/7/2022	2/4/2022	2/9/2022	
31		11			1/10/2022	1/13/2022	1/14/2022	2/11/2022	2/16/2022	
32		11			1/17/2022	1/20/2022	1/21/2022	2/18/2022	2/23/2022	
33		12			1/24/2022	1/27/2022	1/28/2022	2/25/2022	3/2/2022	
34		12			1/31/2022	2/3/2022	2/4/2022	3/4/2022	3/9/2022	
35		13			2/7/2022	2/10/2022	2/11/2022	3/11/2022	3/16/2022	
36		13			2/14/2022	2/17/2022	2/18/2022	3/18/2022	3/23/2022	
37		13			2/21/2022	2/24/2022	2/25/2022	3/25/2022	3/30/2022	
38		13			2/28/2022	3/3/2022	3/4/2022	4/1/2022	4/6/2022	

K

Documentation of
Development Location

K.1

Revitalization Area
Certification



Revitalization Area

General Instructions

Revitalization areas are defined in Virginia Code §36-55.30:2.A.

Designation

To qualify for revitalization area points, select one of the following (and provide adequate documentation):

1. The development is located in a Qualified Census Tract, as defined by HUD. (10 points)
2. The development is located in a census tract wherein 70% or more of the families have incomes which are \leq 80% statewide median income. **NOTE:** These census tracts are included in the definition of target area for single-family purposes, but do not include ACEDS. (10 points)
3. The development is located in an already established redevelopment area, conservation area or rehabilitation district created by a city or county, pursuant to §36-1 et seq. Documentation must show area boundaries and support that the development lies within those boundaries. (10 points)
4. The development is located in a Housing Rehabilitation Zone established through an ordinance created by a city, county or town pursuant to §36-55.64. Documentation must include a copy of the ordinance with support that the development lies within the Rehabilitation Zone. (15 points)
5. The development is located in a defined revitalization area. Documentation must include a resolution from the locality supporting the development's location within the revitalization area. See language below. (15 points)

*The above-referenced development is located in a Revitalization Area in the Town/City/County of _____, Virginia. The revitalization area is (i) **either** (1) blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such area are subject to one or more of the following conditions- dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty or otherwise inadequate design, quality or condition, **or** (2) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; **and** (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.*

Delete the language that does not apply, (i)(1) or (i)(2) above.

6. The development is located in a Qualified Opportunity Zone and has a binding commitment of funding. Documentation must include a firm commitment of funding from a Qualified Opportunity Fund (QOF). Evidence of the self-certification to become a QOF must be provided with the commitment for funding. (15 points)

Atlantis Apartments - 999 Atlantis Drive, Virginia Beach, VA 23451 is in a HUD QCT

→ huduser.gov/portal/sadda/sadda_qct.html

2020 and 2021 Small DDAs and QCTs

999 Atlantis Dr, Virginia Beach Select a State

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

QCT Legend:

- Tract Outline
- LIHTC Project
- 2021 Qualified Census Tracts

SADDA Legend:

- FMR Boundary
- ZCTA Boundary
- 2021 Small DDA
- Part DDA
- Non Metro DDA

[Hide the overview](#)

The 2021 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2021. The 2021 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 23, 2020

Map Options

15 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

Map data ©2021 [Terms of Use](#) [Report a map error](#)

K.2

Location Map



Birdneck Shopping Center

Jack Rabbit Self Storage

Single Family Homes

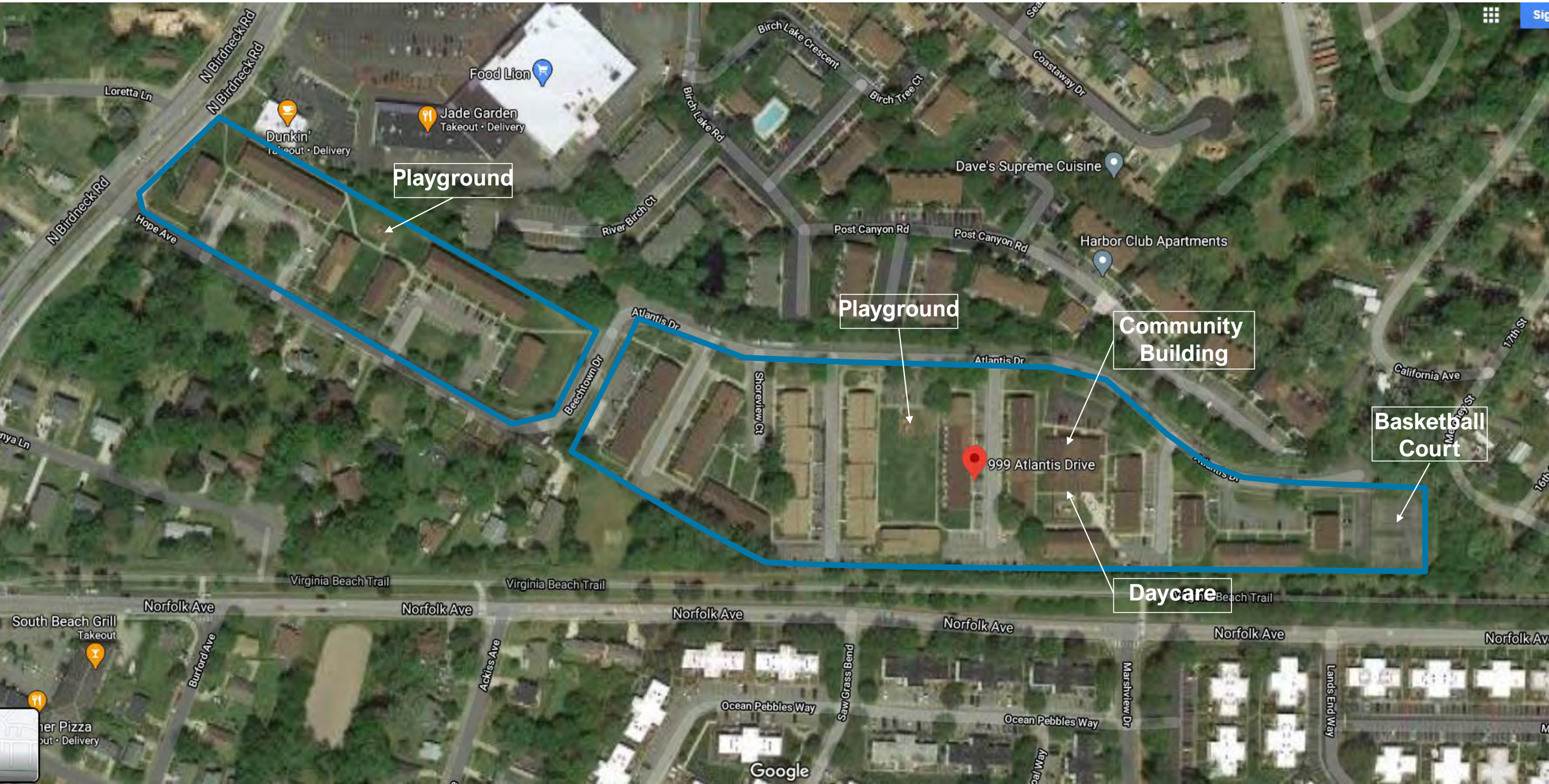
Harbor Club Apartments

Ocean Pebbles Apartments

Lands End Apartments



ATLANTIS APARTMENTS
208 UNITS | VIRGINIA BEACH, VA





L

PHA/Section 8 Notification
Letter

Not Applicable

M

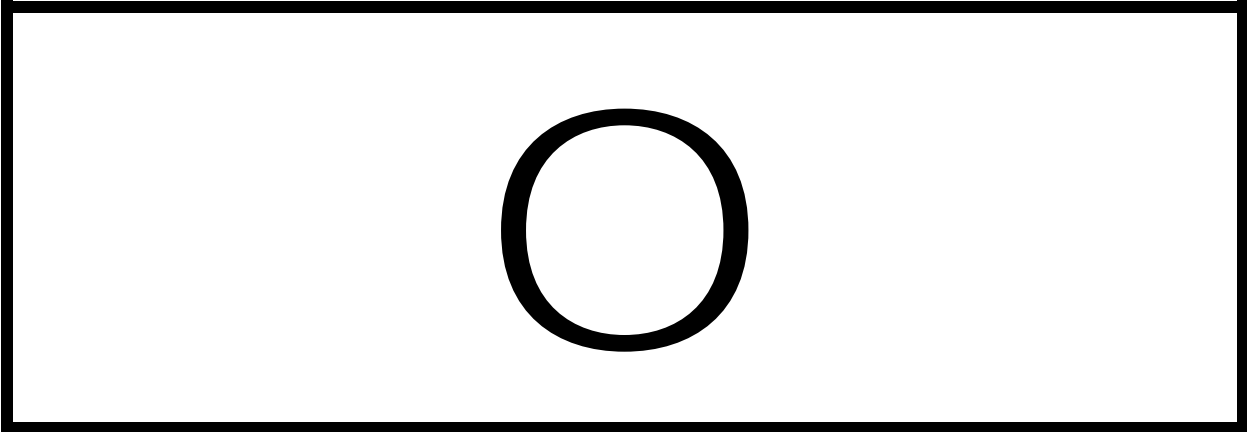
Locality CEO Response
Letter

LNI has been submitted.

N

Homeownership Plan

Not Applicable.



O

Plan of Development
Certification Letter

**To be submitted
under separate
cover**

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements



January 28, 2021

JD Bondurant
Director of LIHTC Programs
Virginia Housing
601 S. Belvidere Street
Richmond, VA 23220

Re: Request to be Added to the Experienced LIHTC Developers List

Mr. Bondurant:

Per the instructions issued by Virginia Housing, please find enclosed our request to add John Tatum, a Fairstead principal, to Virginia Housing's Experienced LIHTC Developers List. The required backup materials are also included in this tab.

John is a principal of Fairstead Affordable LLC, which is an entity that acts as the sole member of the controlling general partners of six LIHTC properties for which 8609s have been issued. The following documentation has been included:

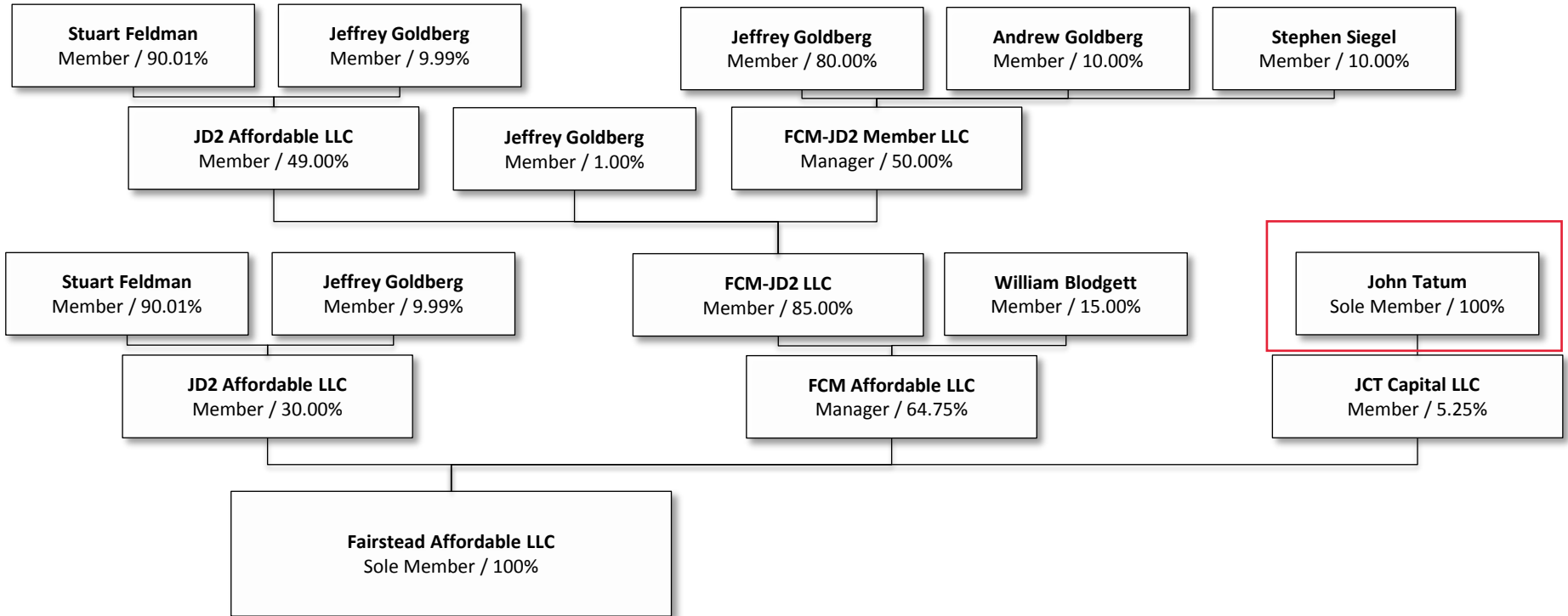
1. 8609s for the following 6 projects:
 - a. Berkley Apartments, Newport News, VA (373 units)
 - b. Hope Village Apartments, Glen Allen, VA (100 units)
 - c. Heritage Acres Apartments, Suffolk, VA (76 units)
 - d. St. Marks Apartments, Oakland, CA (102 units)
 - e. Echo Valley Apartments, Providence, RI (100 units)
 - f. St. Martins Townhouses, New Haven, CT (63 units)
2. Respective partnership agreements that name Fairstead Affordable LLC as the sole member of the controlling general partner of these LIHTC partnerships.
3. Respective organizational charts (to the individual level with percentage interest noted)

Thank you for your assistance and please feel free to contact John Tatum at john.tatum@fairstead.com or (212) 798-4081 or Estelle Chan at (212)798-4063 or estelle.chan@fairstead.com for any questions.

Fairstead Affordable LLC

Organizational Chart

Fairstead Affordable



Fairstead Affordable LLC

Operating Agreement

**SECOND AMENDED AND RESTATED
OPERATING AGREEMENT**

OF

FAIRSTEAD AFFORDABLE LLC

A DELAWARE LIMITED LIABILITY COMPANY

This Second Amended and Restated Operating Agreement (this “Agreement”) of Fairstead Affordable LLC, a Delaware limited liability company (the “Company”), dated as of June 1, 2018, is made by and among the Company and the members set forth on Schedule I attached hereto (each, a “Member” and collectively, the “Members”) and each other Person who becomes a Member in accordance with this Agreement. Capitalized terms not otherwise defined herein have the meanings set forth in Article II.

WITNESSETH:

WHEREAS, the Company was formed under the Delaware Limited Liability Company Act, as amended from time to time (the “Act”), on May 6, 2016 by filing the Certificate of Formation of the Company (the “Certificate of Formation”) with the Secretary of State of the State of Delaware, and upon the terms and conditions of the Amended and Restated Operating Agreement pertaining to the Company, dated as of March 1, 2018 (the “Prior Agreement”);

WHEREAS, the Company was formed to act primarily as a holding company, to engage in the indirect investment in certain real estate opportunities, as specified herein, including, but not limited to, by holding membership interests in, taking other equity interests of, and/or providing services (development, management, etc.) to, (i) one or more Persons that may own, hold, sell, lease, renovate, develop, transfer, exchange, operate and manage real property used for subsidized multifamily housing, (ii) investment vehicles that directly make the investments referred to herein (“Investment Subsidiaries”), and (iii) general partners (“General Partners”) of Investment Subsidiaries;

WHEREAS, the Members signing this Agreement desire to amend and restate the Prior Agreement, and wish to set forth their new agreement as to how the business and affairs of the Company shall be managed, as well as their rights and obligations with respect to the Company, including their agreement that all of the economic terms of the Agreement be deemed effective January 1, 2018 (“Effective Date”);

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amended and restate the Original Agreement in its entirety as follows:

ARTICLE I

FORMATION AND BUSINESS OF THE COMPANY

1.1 Formation. The Company was formed on May 6, 2016, in accordance with and pursuant to the Act.

1.2 Name. The name of the Company is “Fairstead Affordable LLC”. The Company may do business under that name and, as permitted by applicable law, under any other name determined from time to time by a Majority in Interest.

1.3 Purpose of the Company. The purpose of the Company (“Purpose”) shall be to engage in investment activities with respect to executing (i) Low Income Housing Tax Credit deals; (ii) HUD Project Based Section 8 deals; and (iii) other government subsidized multi-family affordable deals. In pursuit of, and consistent with, the Purpose, the Company may (i) acquire, develop, rehabilitate, own, and/or operate for the production of income, hold for investment, and dispose of, real property used or to be used for subsidized multifamily housing purposes, whether directly or through one or more intermediary entities; and (ii) provide development and management services to such real property, for a fee. The Company shall have the power to do all things necessary, incidental or convenient to the accomplishment of the foregoing Purpose and to exercise all other powers necessary to or reasonably connected with the Company’s business which may be legally exercised by a limited liability company under the Act.

1.4 Service of Process. The Secretary of State is designated as agent of the Company upon whom process against it may be served. The address to which the Secretary of State shall mail a copy of any process against the Company served upon the Company is c/o Stellar Corporate Services LLC, 3500 South DuPont Highway, City of Dover, County of Kent, State of Delaware 19901. The address for service of process may be changed from time to time by a Majority in Interest upon the filing of the new name and address with the Secretary of State of the State of Delaware pursuant to the Act.

1.5 Term. The term of the Company shall commence on the date hereof and continue indefinitely, unless the Company is earlier dissolved in accordance herewith and with the Act.

1.6 Members. The names, addresses, initial capital contributions, and Membership Interests of the Members are set forth on Schedule I attached hereto, to be amended from time to time by a Majority in Interest. Any Capital Contributions by the Members shall be as set forth in the books and records of the Company.

ARTICLE II

DEFINITIONS

The following terms, as used in this Agreement, shall have the following meanings (unless otherwise expressly provided herein):

“Act” shall have the meaning set forth in the recitals of this Agreement.

“Additional Capital Contributions” shall have the meaning set forth in Section 3.2.

“Affiliate” of a Person shall mean any relative of such Person, or any Person that controls, is controlled by or is under common control with, such Person, or an officer, director, member, manager, partner or trustee (or relative of any thereof) of such Person. For purposes of this definition, (a) “control” shall mean the right or ability to elect the majority of the directors of a corporation or otherwise direct the management of a Person, and (b) “relative” shall mean any other individual to whom the individual in question is related by blood, marriage or adoption, not more remotely than as a first cousin.

“Affiliated Indemnitee” shall have the meaning set forth in Section 10.1(b).

“Agreement” shall have the meaning set forth in the preamble to this Agreement.

“Appraised Value” shall have the meaning set forth in Section 8.9.

“Assignee” shall mean the holder of an Economic Interest who is not a Member.

“Bankruptcy” of a Person shall mean (a) the entry of an order for relief with respect to such Person in a proceeding under the United States Bankruptcy Code, as amended from time to time, or (b) the Person’s initiation, whether by filing a petition, beginning a proceeding or in answer to a proceeding commenced by another Person, of any action for liquidation, dissolution, receivership or other similar relief, or the Person’s application for, or consent to the appointment of, a trustee, receiver or custodian for its assets.

“Capital Account” of an Interest Holder, as of any date, shall mean the account maintained for such Interest Holder pursuant to Section 3.3, as adjusted through such date.

“Capital Contribution” of, or attributed to, an Interest Holder shall mean the total contributions to the capital of the Company, whether in cash, property (net of liabilities) or services, made, performed or to be performed by, or attributed to, such Interest Holder, valued on the date of contribution or commitment to contribute as set forth in the Company’s books and records.

“Carrying Value” shall mean, with respect to any asset of the Company, the asset’s adjusted basis for Federal income tax purposes, except that the Carrying Values of all assets of the Company shall be adjusted to equal their respective fair market values, in accordance with the rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, as of: (a) the date of the acquisition of any additional Interest by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (b) the date of the distribution of more than a *de minimis* amount of assets of the Company to a Member; or (c) the date an Interest is relinquished to the Company; provided, however, that adjustments pursuant to clauses (a), (b) and (c) above shall be made only if a Majority in Interest determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members. The Carrying Value of any asset of the

Company distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value and depreciation shall be calculated by reference to Carrying Value, instead of tax basis, once Carrying Value differs from tax basis. The Carrying Value of any asset contributed (or deemed contributed under Treasury Regulations Section 1.704-1(b)(1)(iv)) by a Member to the Company will be the fair market value of the asset at the date of its contribution thereto.

“Cash Available for Distribution,” as of any date, shall mean, except as otherwise determined by a Majority in Interest, the excess of (a) all revenues received by the Company from its operations and investments, including, without limitation, fee income, distributions of cash flow and proceeds of capital transactions and returns of capital and loan repayment amounts from other entities, over (b) total current operating expenses and reasonable reserves for future such expenses, including payments in respect of indebtedness of the Company, as permitted hereunder.

“Cause” as of any date, shall mean, in respect of Tatum (A) a material breach by Tatum of the Employment Agreement; (B) a material violation by Tatum of any of the written policies or procedures of Employer and/or its Affiliates; (C) Tatum’s refusal to follow, or knowing disregard of, reasonable instructions by the Employer, or the material failure of Tatum to perform his duties to the Employer and/or the Company as assigned by Employer from time to time; (D) fraud, gross negligence or willful misconduct by Tatum in the performance of his obligations to the Employer or with respect to the business of the Employer and/or the Company; (E) any determination by any court or regulatory or self-regulatory agency having jurisdiction (or by any applicable governing board) that prohibits Tatum from performing services to Employer and/or the Company; or (F) an arrest, indictment, or formal charge with respect to (or governmental investigation of) an alleged commission by Tatum (whether before or after the date of this Agreement) of any felony or any crime involving moral turpitude.

“Certificate of Formation” shall have the meaning set forth in the recitals of this Agreement.

“Change in Control” shall mean a sale of a Majority in Interest of the Membership Interests of the Company to a third party who was not an Affiliate or indirect or direct Affiliate or Member of the Company prior to such transfer. Any transfer of a Majority in Interest for estate or family planning purposes or due to a death shall not be deemed a “Change in Control”.

“Code” shall mean the Internal Revenue Code of 1986, as amended, in effect as of the date hereof and as amended from time to time hereafter.

“Company” shall have the meaning set forth in the preamble to this Agreement.

“Company Minimum Gain” shall mean the amount determined under Treas. Reg. Sections 1.704-2(i)(3) and 1.704-2(d), and shall be computed separately for each Interest Holder in a manner consistent with Code Section 704(b) and the Treasury Regulations thereunder.

“Company Nonrecourse Deductions” shall mean the deductions of the Company determined under Treas. Reg. Section 1.704-2(c).

“Company Sale Notice” shall have the meaning set forth in Section 8.6(a).

“Deal” shall mean any project related to ownership or construction/rehabilitation of subsidized multifamily housing in which the Company invests or provides services for a fee consistent with the purposes of the Company.

“Deal Guarantees” shall have the meaning set forth in Section 3.2(b).

“Deal Purchaser” shall have the meaning set forth in Section 8.7.

“Documents” shall have the meaning set forth in Section 11.2(c).

“Economic Interest” of an Interest Holder, as of any date, shall mean the right to share in the allocation of one or more of the Company’s allocable items, including, without limitation, Net Profits and Net Losses, and/or in distributions of the Company’s assets, in each case pursuant to this Agreement or the Act, but shall not include any Management Interest, as adjusted through such date in accordance herewith.

“Employer” shall mean JD2 Realty Management LLC or any successor chosen, from time to time, by the Company.

“Employment Agreement” shall mean that certain agreement, dated April 25, 2016, made between John Corley Tatum III and Employer.

“Fiscal Year” shall mean the Company’s accounting, tax and fiscal year, which shall be the calendar year.

“General Partner” shall have the meaning ascribed thereto in the recitals herein.

“Good Reason” means the occurrence of any of the following, in each case without Tatum’s written consent:

- (1) a reduction in Tatum’s base compensation;
- (2) a reduction in Tatum’s annual bonus opportunity or a material reduction in Tatum’s benefits (but not including a reduction in annual bonus opportunities, and/or a reduction in benefits, that is applicable to both Tatum and to other employees as well, due to a change in or elimination of Employer’s bonus pool or a change in Employer’s compensation plans, or a change in benefit plan terms and/or benefit providers, it being acknowledged and agreed that Tatum’s bonus compensation, if any, is discretionary, and is determined by Employer in Employer’s sole discretion);
- (3) a relocation of Tatum’s principal place of employment to a location that is not within New York City;
- (4) any material breach by the Company or any other Member of this Agreement or any material provision of any other agreement between Tatum and the Company or any Affiliate of the Company;

(5) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place; or

(6) an adverse change in Tatum's title, authority, duties or responsibilities (other than temporarily during any period in which Tatum is physically or mentally incapacitated or as required by applicable law).

"Guarantor" shall have the meaning set forth in Section 8.6.

"Guaranty" shall have the meaning set forth in Section 8.6.

"Indemnitee" shall have the meaning set forth in Section 10.1(a).

"Interest" shall mean any of an Economic Interest, Management Interest and/or Membership Interest.

"Interest Holder" shall mean a Member or Assignee, as applicable.

"Interest Holder Nonrecourse Debt" shall mean nonrecourse debt of the Company under Treas. Reg. Section 1.704-2(b)(4).

"Interest Holder Nonrecourse Debt Minimum Gain" shall mean the amount determined under Treas. Reg. Section 1.704-2(g).

"Interest Holder Nonrecourse Deductions" shall mean the losses, deductions and expenditures attributable to Interest Holder Nonrecourse Debt under Treas. Reg. Section 1.704-2(i)(2).

"Investment Subsidiaries" shall have the meaning ascribed thereto in the recitals herein.

"JCT" shall mean JCT Capital LLC.

"JD2" shall mean JD2 Affordable LLC.

"Liquidator" shall have the meaning set forth in Section 9.3(a).

"Losses" shall have the meaning set forth in Section 8.6.

"Majority in Interest" shall mean the Members holding more than fifty percent (50%) of the aggregate Membership Interests held by all Members.

"Management Interest" of a Member shall mean his, her or its right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in, any decision or action of or by the Members hereunder or under the Act.

"Member" shall have the meaning set forth in the preamble to this Agreement.

“Membership Interest” shall mean a Member’s entire interest in the Company expressed as a percentage, including his, her or its Economic Interest (to the extent not Transferred) and Management Interest as set forth on Schedule I attached hereto, as amended from time to time.

“Negative Capital Account” shall mean a Capital Account with a balance less than zero and, where the context requires, the negative balance thereof, in each case as of the end of a Fiscal Year, after giving effect to the following:

(a) a credit for any amount required to be restored under Treas. Reg. Section 1.704-1(b)(2)(ii)(c), as well as any amounts in addition thereto pursuant to Treas. Reg. Sections 1.704-2(g)(1) and (i)(5), after taking into account any changes during such Fiscal Year in Company Minimum Gain and Interest Holder Nonrecourse Debt Minimum Gain; and

(b) a debit of the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“Net Profits” and “Net Losses” shall mean, for each Fiscal Year (or other period for which they are determined), the income and gain, and the losses, deductions and credits of the Company, respectively, in the aggregate or separately stated, as appropriate, determined on a Federal income tax basis consistently applied.

“Net Worth Test Requirements” shall have the meaning set forth in Section 3.2(b).

“New Deal” means a prospective Deal which has not yet been closed.

“Person” shall mean any individual, partnership, limited liability company, corporation, joint venture, trust, association or any other entity, domestic or foreign, and its respective heirs, executors, administrators, legal representatives, successors and assigns where the context of this Agreement so permits.

“Property Sale Offer” shall have the meaning set forth in Section 8.7.

“Regulatory Allocations” shall have the meaning set forth in Section 4.6.

“Securities Laws” shall have the meaning set forth in Section 11.2(f).

“Selling Member” shall have the meaning set forth in Section 8.4(a).

“Stabilized” as such term relates to any Deal, shall mean that (i) substantial completion of any construction has been achieved, (ii) the Deal is eligible for permanent financing and (iii) any construction or stabilization guarantees provided by any Member of the Company have been released or the conditions for release of the same have been satisfied.

“Tag-Along Notice” shall have the meaning set forth in Section 8.4(a).

“Tag-Along Right” shall have the meaning set forth in Section 8.4(a).

“Tatum” shall mean John Corley Tatum III.

“Transfer” shall mean any sale, assignment, transfer, gift, exchange, bequest or other disposition of an Interest, in any manner, voluntary or involuntary, by operation of law or otherwise.

“Transferor” shall mean any Interest Holder which Transfers, or proposes to Transfer, an Interest.

“Treasury Regulations” or “Treas. Reg.” shall mean regulations promulgated under the Code in effect as of the date hereof or hereafter amended or adopted.

“Unreturned Capital Contribution” of a Member shall mean the amount, determined from time to time, equal to the difference between such Member’s aggregate Capital Contribution(s) and the cumulative aggregate amount distributed to such Member under Section 4.1(a).

“Vested Deal” shall mean a Deal for which a purchase and sale agreement (or the equivalent) have been executed and delivered by all relevant parties.

ARTICLE III

CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS; COMPANY EXPENSES

3.1 Capital Contributions. Unless otherwise provided in this Article III, the Members are not required to make any additional Capital Contributions to the Company. Any Capital Contributions by the Members shall be set forth in the books and records of the Company.

3.2 Additional Capital Contributions. (a) Subject to Section 3.2(b), JD2 shall be required to make Capital Contributions (“Additional Capital Contributions”) to the Company as and when the Company requires capital to serve the purposes of the Company, including, without limitation, capital needed to close a New Deal. JD2 shall endeavor to make such Additional Capital Contributions prior to the date on which such New Deal funding or other related Company obligation are required to be made and/or met; provided, that, if the Additional Capital Contribution is required in order to avoid a default under a debt in connection with a Deal, then, such Additional Capital Contribution shall be made at the time specified in the relevant capital call notice. Any capital call notice to be issued under this Section 3.2(a) shall set forth the amount required to be contributed, the reason for requesting the Additional Capital Contribution and the identification of the Deal for which such Additional Capital Contribution will be used. For the avoidance of doubt, no Member other than JD2 shall be required to make any Additional Capital Contributions under this Section 3.2(a).

(b) In the event that the Company shall determine that it, any General Partner or any other affiliates related to a Deal, shall require, in connection with such Deal, (i) guarantees from third parties to any counterparties of the Company, such General Partner or any affiliates thereof (“Deal Guarantees”), or (ii) Deal Guarantees or statements of net worth from any Members or related persons in relation to meeting a net worth test imposed on the Company, any General Partner or any

other affiliates related to a Deal (“Net Worth Test Requirements”), in each case, in order to support the applicable Deal, then JD2 shall be obligated to ensure that its direct or indirect principals shall provide such Deal Guarantees or other Net Worth Test Requirements.

3.3 Capital Accounts.

(a) As of any date, an Interest Holder’s Capital Account shall consist of (i) the sum of (A) the value of its Capital Contribution to such date, in whatever form, to the extent not in default, and (B) allocations to it of Net Profits (or items thereof), including income and gain exempt from tax, and any other items in the nature of income or gain that are specially allocated; minus (ii) the sum of (1) the amount of cash distributed to it by the Company, (2) the fair market value of the property (net of liabilities) distributed to it by the Company, (3) allocations to it of Net Losses (or items thereof) and any other items in the nature of expenses or losses that are specially allocated, and (4) allocations to it of expenditures of the Company described in Code Section 705(a)(2)(B) or treated as such expenditures under the Treasury Regulations. For purposes of this Section 3.3(a), “Interest Holder” shall be deemed to include an Interest Holder’s Transferor, if any. Capital Accounts are intended to be maintained hereunder in accordance with Code Section 704(b) and the Treasury Regulations thereunder.

(b) Except as otherwise required by the Act, no Interest Holder shall have any liability to restore all or any portion of any Negative Capital Account.

(c) No Interest Holder shall be paid interest on the balance of its Capital Account.

3.4 Adjustments to Capital Accounts.

(a) A Majority in Interest may, in its discretion, adjust the Capital Accounts to reflect a revaluation of the Company’s assets upon the occurrence of any of the following events:

(i) the distribution of cash or other property by the Company to a retiring or continuing Member as consideration for the repurchase or redemption of an Interest as permitted hereunder; or

(ii) events described in Treas. Reg. Section 1.704-1(b)(2)(iv)(f).

(b) Any adjustment pursuant to Section 3.4(a) shall be based on the fair market value of Company property on the date of adjustment, and shall reflect the manner in which the unrealized income, gain, loss or deduction inherent in the property, not previously reflected in Capital Accounts, would be allocated among the Interest Holders if there were a taxable disposition of the property for fair market value on that date.

(c) If the book value of a Company asset differs from the adjusted tax basis of that asset, the Capital Accounts shall be adjusted in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv)(g)

for allocations of depreciation, depletion, amortization and gain or loss computed for book purposes rather than tax purposes.

(d) If there is any basis adjustment pursuant to an election under Code Section 754, the Capital Accounts shall be adjusted to the extent required by Treas. Reg. Section 1.704-1(b)(2)(iv)(m).

3.5 Return of Capital Contributions. Except as otherwise provided in this Agreement, no Interest Holder shall have any right to demand or receive (a) any cash or property of the Company in return of its Capital Contribution or in respect of its Interest until the dissolution of the Company or (b) any distribution from the Company in any form other than cash.

3.6 Transfer of Interest. If an Interest is Transferred as permitted by this Agreement, the transferee shall succeed to the Capital Account of the Transferor to the extent the Capital Account relates to the Transferred Interest in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv)(l).

3.7 Company Expenses. The Company will pay all of its directly incurred expenses, and also all expenses allocable to it, including but not limited to investment, overhead (including allocable rent), transaction, and salaries (and other costs) for all employees and consultants who are engaged to provide services to Deals and/or to the Company. To the extent that an employee or consultant may provide services to multiple entities, including the Company, then, the cost of such employee shall be allocated reasonably as between the entities which are receiving such services. No Member shall be compensated by the Company for its time and/or services it may provide to the Company (it being acknowledged and agreed that Tatum is permitted to have his employment arrangement with Employer).

ARTICLE IV

DISTRIBUTIONS AND ALLOCATIONS

4.1 Distributions. Cash Available for Distribution, less reasonable reserves, shall be distributed at such times as may be determined by a Majority in Interest but no less frequently than quarterly or within thirty (30) days following receipt of any income or proceeds of a Deal capital transaction to each Interest Holder as follows:

(a) first, to each Interest Holder, *pro rata*, based upon Unreturned Capital Contributions up to an amount equal to such Interest Holder's Unreturned Capital Contribution; and

(b) then, to each Interest Holder, *pro rata*, in accordance with its percentage Interest.

4.2 Limitation on Distributions. No distribution shall be declared and paid unless, after giving effect thereto, the assets of the Company exceed the Company's liabilities.

4.3 Allocations of Net Profits and Net Losses. Net Profits and Net Losses, and to the extent appropriate, individual items of income, gain, loss or deduction of the Company shall be allocated among the Interest Holders in a manner such that the Capital Account of each Interest Holder, immediately after making such allocation is, as nearly as possible, equal (proportionately) to

the distributions that would be made to such Interest Holder if the Company were dissolved, its affairs wound up, and its assets sold for cash equal to their Carrying Value, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Carrying Value of the assets securing such liability), and the net assets of the Company were distributed pursuant to Section 4.1 to the Interest Holders immediately after making such allocation.

4.4 Qualified Income Offset. Notwithstanding anything in this Article IV to the contrary, in the event any Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Treas. Reg. Section 1.704-1(b)(2)(ii) or 1.704-1(d)(4), (5) or (6) which cause a deficit or increase the deficit in the Interest Holder's Capital Account, items of Company gross income and gain shall be allocated to the Interest Holder in an amount and manner sufficient to eliminate the deficit in its Capital Account as quickly as possible; provided, however, that, for this purpose, a Capital Account shall be increased by the Interest Holder's share of Company Minimum Gain as of the end of the Fiscal Year. It is the intention of the Members that this Section 4.4 be treated as a "qualified income offset" within the meaning of Treas. Reg. Section 1.704-1(b)(2)(ii)(d).

4.5 Minimum Gain.

(a) Nonrecourse Deductions. Company Nonrecourse Deductions shall be allocated to the Capital Accounts as set forth in Section 4.3. Interest Holder Nonrecourse Deductions shall be allocated to the Interest Holder that bears the economic risk of loss with respect to the debt to which such Interest Holder Nonrecourse Deduction is attributable.

(b) Distributions of Nonrecourse Financing Proceeds. If the Company makes a distribution to the Interest Holders that is allocable to the proceeds of any nonrecourse liability of the Company, or of any other entity in which the Company has an interest, such distribution shall be allocable to an increase in Company Minimum Gain as provided in Treas. Reg. Sections 1.704-2(h) and (i)(6).

(c) Company Minimum Gain. Each Interest Holder's share of Company Minimum Gain shall be determined as provided in Treas. Reg. Sections 1.704-2(g) and (i)(5).

(d) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for a Fiscal Year, items of Company income and gain shall be allocated to the Capital Accounts as provided in Treas. Reg. Section 1.704-2(f). Notwithstanding the foregoing, to the extent such net decrease is attributable to any Interest Holder Nonrecourse Debt, then any Interest Holder with a share of the minimum gain attributable to such debt shall be allocated items of income and gain as provided in Treas. Reg. Section 1.704-2(i)(4).

4.6 Regulatory Allocations. The allocations set forth in Sections 4.4 and 4.5 (the "Regulatory Allocations") are intended to comply with certain requirements of Treas. Reg. Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations might not be consistent with the manner in which the Members intend to divide Company distributions. Accordingly, a Majority in Interest is hereby authorized to allocate other items of income, gain, loss, and deduction among the Interest Holders so as, to the extent possible, to prevent the Regulatory Allocations from causing the manner in which Company distributions will be divided between the Interest Holders pursuant to this

Agreement to be different from the division intended by the Members. In general, a Majority in Interest anticipates that this will be accomplished by specially allocating other items of Company income, gain, loss and deduction among the Interest Holders so that, to the extent possible, the net amount of the Regulatory Allocations and such other items to each Interest Holder shall be equal to the net amount that would have been allocated to each such Interest Holder if the Regulatory Allocations had not been required.

4.7 Allocation of Nonrecourse Liabilities. For purposes of Treas. Reg. Section 1.752-3(a), the Interest Holders' interests in Net Profits shall be their respective Interests.

4.8 Distributions In Kind. Except as otherwise expressly provided in this Agreement, the Company may make distributions of property (other than cash) prior to the dissolution of the Company at the sole discretion of a Majority in Interest. All distributions of Company property-in-kind shall be valued at their fair market value as determined by a Majority in Interest as of (or as near as practicable to) the date of distribution and shall be distributed consistent with the provisions of Section 4.1, and the amount of any gain or loss that would be realized by the Company if it were to sell such property at such fair market value shall be allocated to the Interest Holders in accordance with Section 4.3.

4.9 Tax Returns and Other Elections. A Majority in Interest shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all applicable laws of each jurisdiction in which the Company does business. Copies of all such returns, or summaries thereof, shall be furnished to the Interest Holders within a reasonable time after the end of each Fiscal Year. All elections permitted to be made by the Company under Federal or state laws shall be made by a Majority in Interest, in its sole discretion. A Majority in Interest shall cause the Company to pay for the tax return preparation of the Members and the Persons directly or indirectly owning the Interests of the Company.

4.10 Mid-Fiscal-Year Transfers. If an Interest is Transferred during the Fiscal Year as permitted by this Agreement, unless otherwise agreed by the parties:

(a) all Net Profits and Net Losses allocable to such Interest shall be allocated between the Transferor and the transferee in the ratio of the number of days in the year before and after the effective date of the Transfer, without reference to the dates during the year on which income was earned, losses were incurred or distributions were made, and distributions shall be made to the Interest Holders as determined on the date such distribution is declared; and

(b) tax credits, if any, shall be allocated among the Interest Holders as determined at the time the property with respect to which the credit is claimed is placed in service.

ARTICLE V

MANAGEMENT OF THE COMPANY

5.1 General Management and Authority. The property, business and affairs of the Company shall be managed by a Majority in Interest. A Majority in Interest shall have full authority, power and absolute discretion to make all decisions with respect to the Company's business and to perform such other services and activities as set forth in this Agreement.

5.2 Delegation to Officers, Agents and Managers. A Majority in Interest may from time to time designate such officers, agents and managers as it may deem necessary to carry out the day-to-day operations of the Company. Such officers, agents and managers need not be Members, and shall have such duties, powers, responsibilities and authority as may from time to time be prescribed by a Majority in Interest, and may be removed at any time, with or without cause, by a Majority in Interest.

5.3 Reliance on Information. In performing its duties, a Majority in Interest shall be entitled to rely on information, opinions, reports or statements, including financial statements, in each case prepared or presented by:

- (a) one or more agents or employees of the Company; or
- (b) counsel, public accountants or other persons, as to matters that a Majority in Interest believes to be within their respective professional or expert competence.

5.4 Execution of Documents.

(a) Except as otherwise set forth herein or in the Act, any document or instrument may be executed and delivered on behalf of the Company by a Majority in Interest, including, without limitation, any deed, mortgage, note or other evidence of indebtedness, lease, security agreement, financing statement, contract of sale or other instrument purporting to convey or encumber, in whole or in part, any or all of the assets of the Company at any time held in its name, or any compromise or settlement with respect to accounts receivable or claims of the Company. Subject to the authorization requirements set forth herein or in the Act, no other signature shall be required for any of the foregoing instruments to bind the Company.

(b) Any third Person dealing with the Company or the Members may rely upon a certificate signed by a Majority in Interest as to (i) the identity of the Members, (ii) acts by the Members, (iii) any act or failure to act by the Company, or (iv) any other matter involving the Company or any Member.

5.5 Powers of Majority in Interest in Bankruptcy. A Majority in Interest shall have the power and authority, on behalf of the Company, to:

(a) represent the Company in any Bankruptcy or insolvency proceedings to which it is a party, in whatever capacity;

(b) determine whether the Company shall file any petition under the United States Bankruptcy Code or other applicable insolvency law; and

(c) execute and deliver, in the name of the Company or otherwise, any and all documents and instruments in connection with any such Bankruptcy or insolvency proceedings.

5.6 Reports. In addition to the tax returns, or summaries thereof, required to be provided under Section 4.9, the Company shall furnish to the Members as soon as practicable after the end of each Fiscal Year during the term of the Company, an annual report as of December 31 of that year containing (i) a balance sheet as of the end of such Fiscal Year, statements of income, Members' equity, and changes in financial position, and a cash flow statement, on a Federal income tax basis, and (ii) a report of distributions to each Member for the period covered by the report.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF MEMBERS; MEETINGS

6.1 No Liability for Company Obligations. No Member shall be personally liable for any debts, losses or obligations of the Company by reason of its being a Member.

6.2 Liability for Wrongful Distributions. Any Interest Holder that receives a distribution from the Company in violation of this Agreement or the Act shall be liable to the Company for the amount of such distribution for a period of three years following the date on which it was made.

6.3 Dealings with the Company. Subject to the requirements of this Agreement, any Member or any Affiliate thereof may make loans to, borrow from, and transact such other business with, the Company as may be approved by a Majority in Interest in accordance with this Agreement; provided, that, if the Company plans to borrow money from a Member (or any Affiliate thereof), then, each Member shall be given the option to participate in such financing, as a lender to the Company (i) on the same terms as proposed to the Company by the Member (or the Affiliate) who is proposing the loan (the "Sponsoring Member") and (ii) on a pro rata basis according to its relative Membership Interest. The Company shall send a notice to each non-Sponsoring Member containing the terms and conditions of the proposed loan (a "Loan Notice"), and each Member who elects to participate shall give written notice thereof to the Company within 20 days of receipt of the Loan Notice. To the extent that some, but not all, of the Members elect not to participate, then, the Sponsoring Member (or its Affiliate) shall be entitled to fund (i) its pro rata portion of the loan plus (ii) the portion of the loan that would have been allocated to the non-participating Members (had they participated). The Sponsoring Member (or its Affiliate) shall be free to fund the full amount of the loan, as proposed, if no other Member timely elects to participate.

6.4 Meetings of Members.

(a) Meetings of the Members shall be held at such times and places within or without the State of Delaware as a Majority in Interest may from time to time determine, regarding any matter that requires the approval of the Members as expressly set forth herein or as required by law.

(b) Written notice of the time, place and purpose or purposes of each meeting of the Members shall be delivered to each Member entitled to vote at the meeting by hand, nationally recognized overnight courier service, facsimile or first class mail, postage prepaid, addressed to it at its mailing address or facsimile number set forth in the records of the Company, at least five (5) but not more than sixty (60) days before the date of the meeting. An affidavit of a Member or other Person giving such notice shall, absent fraud, be *prima facie* evidence that notice of a meeting has been duly given. Notice of a meeting need not be given to any Member who, either before or after the meeting, executes a waiver of notice, or who attends such meeting without objecting, at its beginning, to the transaction of any business because the meeting is not duly called or convened.

(c) Except as otherwise provided in this Agreement, the presence of a Majority in Interest entitled to vote on, or take action with respect to, any matter, present in person at any meeting, shall constitute a quorum for the transaction of business at such meeting. In the absence of a quorum, a Majority in Interest present and entitled to vote at any meeting may adjourn such meeting from time to time for a period not to exceed sixty (60) days without further notice. If the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each Member entitled to vote on, or take action with respect to, any matter at such meeting. At any adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally noticed may be transacted. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of that number of Members whose absence would result in less than a quorum being present.

(d) Except as otherwise expressly required by the Act, the Certificate of Formation or this Agreement, if a quorum is present, the affirmative vote of a Majority in Interest present and entitled to vote on, or take action with respect to, any matter shall be the act of the Members.

6.5 Proxies and Voting Arrangements. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or a duly authorized attorney-in-fact. The proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Any proxy or other arrangement, by contract or otherwise, by which a Member grants to a non-Member any right to exercise any Management Interest, shall be null and void.

6.6 Action without Meeting. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, without prior notice and a vote, if a Majority in Interest consent thereto in writing. Such consents shall be promptly delivered to the Members by hand or by certified or registered mail, return receipt requested, for filing with the Company records. Action taken under this Section 6.6 shall be effective when all necessary Members have signed a consent unless the consent specifies a different effective date. Except as expressly provided

elsewhere in this Agreement or required by the Act or other applicable law, if any Member by itself constitutes a Majority in Interest, then, any consent of a Majority in Interest shall only require the consent of such Member.

6.7 Participation in Meetings by Telephone and Other Equipment. Members may participate in a meeting by conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

6.8 Record Dates. For the purpose of determining (a) Members entitled to notice of, or to vote at, any meeting of Members, (b) Interest Holders entitled to receive payment of any distribution, or (c) the identity of Members or Interest Holders for any other purpose, the date on which notice of the meeting is delivered or mailed, or on which the declaration of such distribution is adopted, as the case may be, shall be the record date for such determination. When a determination of Members entitled to vote at any meeting has been made as provided in this Section 6.8, the determination shall apply to any adjournment of the meeting. The record date for determining Members entitled to take action without a meeting pursuant to Section 6.6 shall be the date the first Member signs a written consent.

6.9 Membership Certificates. At the option of a Majority in Interest, the Interests may be evidenced by certificates issued by the Company; provided that any such certificate shall carry a conspicuous legend noting the existence of the restrictions on Transfer set forth in Article VII or under any Securities Laws. Nothing contained herein, nor the issuance of any such certificate, shall be deemed evidence of, or an admission that, any Interest constitutes a security for any purpose.

6.10 Fiduciary Duty; Duty of Loyalty.

(a) Except as expressly provided elsewhere in this Agreement or required by the Act or other applicable law, a Member is permitted to act solely in the best interests of such Member and shall not have any fiduciary duty (including any duty of loyalty) or other obligation to act in the best interests of the Company or its Members as a whole; provided that JCT shall owe fiduciary duties to the Company and the other Members. JCT represents, warrants and covenants that it is and at all times shall remain wholly-owned by Tatum.

(b) Notwithstanding the provisions of Section 6.10(a), each Member shall: (i) act honestly and in good faith in its dealings with the Company and the other Members; (ii) account to the Company, and hold as its trustee, any property, profit or benefit derived in the conduct or winding up of the Company's business or from the use of Company property, including the appropriation of Company properties; and (iii) refrain from dealing with the Company in the conduct or winding up of the Company's business as or on behalf of a party having an interest adverse to the Company.

ARTICLE VII

TRANSFERABILITY

7.1 No Transfers. Except as otherwise specifically provided in this Agreement, and subject in any event to Sections 7.2 and 7.3, no Interest Holder shall have the right to Transfer any Interest without the consent of the other Members, other than a Transfer to an Affiliate. Upon the Transfer of all of a Member's Membership Interest in accordance with this Agreement, the Transferor shall cease to be a Member.

7.2 Other Conditions to Permitted Transfers.

(a) As conditions to recognizing the effectiveness of any Transfer permitted under this Article VII and (subject to Section 7.3 below) the admission of a transferee as a new Member, the Transferor and the proposed transferee shall execute, acknowledge and deliver to the Company, at the Transferor's (and/or the transferee's) expense, such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and shall perform all other acts necessary or desirable, in the opinion of counsel to the Company, to:

- (i) constitute such transferee a Member, if applicable;
- (ii) confirm that the Person desiring to acquire an Interest, or to be admitted as a Member, has accepted, assumed, and agreed to be bound by, all of the terms, obligations and conditions of this Agreement, as in effect at the time of the Transfer;
- (iii) preserve the Company after such Transfer under the laws of each jurisdiction in which the Company is qualified, organized or does business;
- (iv) maintain the status of the Company as a partnership for Federal income tax purposes;
- (v) assure compliance with all applicable state and Federal laws, including, without limitation, the Securities Laws; and
- (vi) constitute the Company a third-party beneficiary of the rights of the Transferor and the obligations of the transferee under any arrangements or agreements to Transfer an Interest hereunder, with full power to enforce such rights and obligations directly against the transferee.

(b) If, as of the proposed effective date of a Transfer, there is a mortgage or other agreement in effect by which the Company or any of its assets are bound or a guaranty or indemnity from the proposed transferor that permits the holder of indebtedness secured thereby to accelerate the indebtedness in the event of the Transfer of an Interest or more than a specified Interest, then, notwithstanding anything to the contrary contained herein, no such Transfer shall be permitted.

(c) Notwithstanding compliance with the other provisions of this Article VII, no Transfer of an Interest may be made except pursuant to a registration under applicable Securities Laws or if an opinion of counsel to the Company, prepared at the expense of the Transferor (or the transferee), indicates that such Transfer may be effected without registration.

(d) Notwithstanding compliance with the other provisions of this Article VII, no Transfer of an Interest may be made to a minor or incompetent individual except by will, intestate succession or gift under applicable uniform transfers to minors acts or pursuant to the terms of an *inter vivos* trust.

7.3 Transferee Not Member. Except as otherwise set forth in this Section 7.3, a transferee of an Interest pursuant to a Transfer otherwise complying with the provisions of this Article VII shall not be a Member, and shall have no right to participate in the management of the business of the Company or to become a Member, unless a Majority in Interest approves the admission as a Member of such transferee. A transferee not admitted as a Member hereunder shall be deemed to be an Assignee for all purposes, and shall be entitled to receive any share of Net Profits and Net Losses, other allocable items and distributions to which the Transferor would have been entitled, to the extent of the Interest transferred to such Assignee. The Interest held by an Assignee shall only be an Economic Interest and shall be subject to the same restrictions on Transfer as are Interests held by Members, as set forth in this Article VII. A transferee who becomes a Member shall be treated as a Member for all purposes under this Agreement.

7.4 Effective Date.

(a) Any Transfer of an Interest or admission of a Member in accordance with this Agreement shall be effective as of the last day of the calendar month in which all of the conditions thereto were satisfied. No Transfer of an Interest shall be effective unless and until the Company has received notice of the name and address of the transferee and the date of such Transfer, and shall then be effective only to the extent set forth in this Agreement.

(b) No new Interest Holder shall be entitled to any retroactive allocation of Net Profits or Net Losses or other allocable items incurred by the Company. A Majority in Interest may, in its discretion, at the time a new Interest Holder obtains an Interest, close the Company books (as though the Fiscal Year had ended) or make *pro rata* allocations of such items to a new Interest Holder for that portion of the Fiscal Year in which it holds an Interest, in accordance with Code Section 706(d) and the Treasury Regulations promulgated thereunder.

7.5 Certain Transfers of No Effect. Any Transfer or attempted Transfer of an Interest in violation of the terms of this Agreement shall be null and void and have no effect. Each Transferor hereby agrees to indemnify the Company and the remaining Members against any and all loss, liabilities, damages and expenses, including, without limitation, tax liabilities or loss of tax benefits, arising directly or indirectly out of any Transfer or purported Transfer in violation of this Agreement.

7.6 Pledge or Encumbrance of Interests. No Member may pledge or encumber any Interest, in any manner, whether voluntarily or involuntarily, by operation of law or otherwise, without the consent of the other Members.

7.7 Indemnity. Each Member and each Person to which such Member's Interest is Transferred or purportedly Transferred, jointly and severally, shall indemnify the Company, the other Members and their directors, officers, employees, representatives and agents against any and all loss,

damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly from any Transfer or purported Transfer in violation of this Article VII.

ARTICLE VIII

ADDITIONAL AGREEMENTS

8.1 Limitations on Withdrawal. No Member shall have the right or power to surrender its Interest voluntarily, or to otherwise take or permit to be taken any action that would constitute a withdrawal from the Company, without obtaining the prior written consent of a Majority in Interest, which consent may be withheld for any reason or no reason, in its sole discretion.

8.2 Affiliate Transactions. A Majority in Interest may cause or permit the Company to contract for the performance of property management services of any Affiliate of any Member; provided that the fees and expenses charged by such Affiliate are customary and reasonable for unrelated third party transactions. Nothing herein shall be construed as a guarantee by a Majority in Interest of the performance by any Affiliate, designee or nominee of its obligations under any contract between any such Affiliate and the Company, on arms-length terms.

8.3 Other Business Activities; Confidentiality.

(a) The Members shall not be required to devote their full time to the business of the Company and shall only be required to devote such time as is appropriate under the applicable circumstances. The Members and their Affiliates, and their respective officers, directors, employees, stockholders, members (including managing members) and partners may have other business interests and may engage in other activities in addition to those relating to the Company, in each case, whether or not those businesses or activities compete with the business of the Company, and (i) the pursuit of those businesses or activities shall not constitute a breach of this Agreement or result in a breach of any duties or obligations to the Members hereunder, (ii) and there shall be no obligation on the part of any such Person to provide the Company or any Member with the opportunity to participate in such business or activity. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of any other Member or any income or revenues derived therefrom.

(b) At all times after the date hereof, no Member or any of its Affiliates shall disclose or use any confidential information of or with respect to the Company or its business; provided that such obligation shall not apply to any information (i) to the extent that it legally is or becomes part of public or industry knowledge from authorized sources other than a Member or any Affiliate of any Member, (ii) which the Member or any of its Affiliates is required by law to disclose (but only to the extent required to be so disclosed), or (iii) in case of any use by the Members, such use is necessary or appropriate in the conduct of the Company's business.

(c) Because the Company and the Members do not have an adequate remedy at law to protect the Company's business from any breach of the obligations in this Section 8.3, each of them

shall be entitled to injunctive relief without having to prove damages or post any bond, in addition to such other remedies and relief that would, in such event, be available to it or them.

8.4 Tag-Along Rights.

(a) If any Member (the “Selling Member”) determines to sell some or all of its Interests pursuant to a *bona fide* offer from a transferee, the Selling Member shall provide prompt written notice to the Company and the other Members (the “Tag-Along Notice”) of the identity of the transferee and of all of the other material terms and conditions of the proposed sale. Each other Member shall have the right to require the transferee to purchase the same percentage of Interests from such other Member as the transferee is seeking to purchase from the Selling Member (the “Tag-Along Right”), by giving the transferee written notice of the other Member’s intention to exercise its Tag-Along Right within twenty (20) calendar days after receiving the Tag-Along Notice. The terms and conditions of the Tag-Along Right shall be identical to the terms and conditions on which the Selling Member is selling its Interest. If the transferee does not agree to purchase the Interests of the other Members, then the Selling Member may not Transfer any of its Interests to the transferee and the transferee shall not become a Member of the Company. If the other Members do not elect to exercise the Tag-Along Right, the Selling Member may then Transfer its Interests to the transferee, on terms no more favorable to the Selling Member than those set forth in the Tag-Along Notice, so long as the transferee agrees to be bound by the terms of this Agreement.

(b) Each Member shall take all applicable steps set forth above regardless of whether there is any dispute between the Company and such Member or between such Member and any other Member. Any such dispute shall be resolved after the closing of the sale and shall in no event delay the closing. Nothing in this Section 8.4, shall be deemed to limit or modify the requirements of Article VII regarding any Transfer pursuant to this Section 8.4.

8.5 Drag-Along Rights.

(a) If a Majority in Interest determines to sell all of its Interests pursuant to a *bona fide* offer from a transferee, then such Majority in Interest shall deliver to the other Interest Holders written notice of such offer (a “Company Sale Notice”), which notice shall state that such Majority in Interest has elected to exercise the right to cause the sale of all of the Interests of the Company. The Company Sale Notice shall set forth all material terms of such sale, including, but not limited to, the identity of and all relevant financial information relating to the transferee or transferees, the sale price, payment terms and financing arrangements.

(b) All Interest Holders shall sell their Interests to the transferee on the same terms and conditions contained in the Company Sale Notice. The closing for such transaction shall take place as proposed by the Majority in Interest exercising the right under this Section 8.5.

(c) By execution of this Agreement, each Interest Holder hereby irrevocably appoints each Member as its attorney-in-fact, with full power of substitution, to execute and deliver all documents necessary to the sale of all of its Interests of the Company in accordance with the foregoing; provided, however, that the Company shall cause such power of attorney to be exercised only in the limited circumstances if the Company shall request in writing that such Interest Holder

execute and deliver all documents necessary to effect such sale and such Interest Holder fails to so execute and deliver all such documents within a reasonable period after delivery of the written request therefor.

(d) Each Interest Holder shall take all applicable steps set forth above regardless of whether there is any dispute between the Company and such Interest Holder or between such Interest Holder and any other Interest Holder. Any such dispute shall be resolved after the closing of the sale and shall in no event delay the closing.

8.6 Personal Guaranty; Indemnification. In the event any Member or any of its Affiliates (a “Guarantor”) shall be required to execute and deliver any personal guaranty or personal indemnity at the request of the Company or for the benefit of the Company or its directly or indirectly owned entities (a “Guaranty”), to the extent the Guarantor is required to pay an amount pursuant to a Guaranty more than such Guarantor’s pro-rata share of such Losses (as defined below) based on such Guarantor’s Interest, each Interest Holder, based on its pro-rata share based on its Interest, shall indemnify, pay and hold harmless the Guarantor against all costs, liabilities, claims, damages, fines, fees, penalties, deficiencies, losses and expenses (including without limitation, interest, court costs, fees of attorneys, accountants and other experts or other expenses of litigation or other proceedings or of any claim, default or assessment) (collectively, “Losses”) paid or incurred by the Guarantor, except to the extent the Losses arise out of the fraud, bad faith or willful or intentional misconduct of the Guarantor or its Affiliate.

8.7 Property Level Right of First Refusal.

(a) If the Company (or an investment vehicle or other intermediary owned by the Company) desires to cause a sale of a Deal (which, for the purposes of this Section 8.7, shall include a sale of the limited liability company membership interests, or partnership interests, in the investment vehicle that holds the Deal) to a *bona fide* third party purchaser (a “Deal Purchaser”), then, the Company shall extend a right of first refusal to each of its then-Members to acquire such Deal (including JCT, provided that it is still at that time a Member of the Company). The Company shall obtain from the Deal Purchaser a bona fide written offer (the “Property Sale Offer”) to purchase such Deal, stating the Purchaser’s name and the terms and conditions upon which the purchase would be made, and shall make same available to the Members.

(b) Upon receipt of the Property Sale Offer, each Member shall have a right of first refusal to offer to buy the Deal that is proposed to be sold, upon the same terms and conditions, and for the same consideration, as stated in the Property Sale Offer. If any Member desires to elect to purchase the property, such Member must give written notice thereof to the Company within twenty (20) days of its receipt of the Property Sale Offer, and must commit therein to signing a contract and closing on the purchase of the Deal within the same time periods as described in the Property Sale Offer. If more than one Member expresses an interest in exercising the right of first refusal, after receiving the Property Sale Offer, then, all such interested Members shall participate *pro rata*, according to their relative Membership Interests, in the purchase of the Deal (or, at their option, they may negotiate as between themselves to participate based on such other sharing arrangement as they may determine, provided that in the aggregate they buy 100% of the Deal).

(c) If any Member fails to timely respond to a Property Sale Offer, or declines to exercise the right of first refusal described herein, or elects to make a purchase but fails to complete the transaction (other than due to the failure of the counterparty to close), then, this Section 8.7 shall have no further application with respect to such Member and the property being proposed for sale.

8.8 Special JCT Agreements.

(a) The Membership Interest held by JCT as of the date hereof shall be treated as a “promote” or “carried interest” in exchange for Tatum’s services as an employee (“Employment”) to one or more Affiliates of the Company (including Employer), and shall vest (or, as the case may be, shall be forfeited) to the extent provided in, and subject to, the following terms:

(i) Termination by Tatum for Good Reason. In the event there exists an event of Good Reason, Tatum may terminate his Employment and JCT shall retain 100% of its ownership interest in Vested Deals, provided Tatum has provided ninety (90) days prior written notice thereof to the Employer and to the Company of the existence of the circumstances providing grounds for termination for Good Reason, and the Company and/or Employer during such ninety (90) day notice period has failed to cure such circumstances.

(ii) Termination by Tatum Upon a Change in Control. In the event that a Change in Control of the Company occurs during Tatum’s Employment, Tatum may terminate his Employment and JCT shall retain 100% of its ownership interest in Stabilized Deals, provided Tatum has provided not less than ninety (90) days prior written notice thereof to the Employer and to the Company following the effective date of the Change in Control; provided further, however, that if Tatum is informed of the Change in Control before it occurs, and he does not make a written objection to Employer regarding such proposed Change of Control, within fifteen (15) days following Tatum being informed of same, then, Tatum shall have waived his right to terminate his Employment under this provision.

(iii) Termination by Tatum Without Good Reason.

A. Tatum may terminate his employment without Good Reason upon providing not less than 120 days prior written notice thereof to the Employer and to the Company (such notice, the “Requisite Notice”). If Tatum elects to terminate his employment without Good Reason, then the determination of JCT’s interest in the Company shall thereupon be determined in accordance with the following vesting schedule:

(1) JCT shall retain Zero (0%) percent of its ownership interest in any Deals if the Company receives the Requisite Notice prior to the date that is thirty-six (36) months after the Effective Date.

(2) JCT shall retain one-third (33.33%) percent of its ownership interest in any Stabilized Deals (that were Stabilized on or prior to the Employment termination date) if the Company receives the Requisite Notice after the date that is thirty-six (36) months after the Effective Date but prior to the date that is forty-eight (48) months after the Effective Date.

(3) JCT shall retain two-thirds (66.66%) percent of its ownership interest in any Stabilized Deals (that were Stabilized on or prior to the Employment termination date) if the Company receives the Requisite Notice after the date that is forty-eight (48) months after the Effective Date but prior to the date that is sixty (60) months after the Effective Date.

(4) JCT shall retain one hundred (100%) percent of its ownership interest in any Stabilized Deals (that were Stabilized on or prior to the Employment termination date) if the Company receives the Requisite Notice on or after the date this sixty (60) months after the Effective Date.

B. If Tatum sends the Requisite Notice prior to the date that is forty-eight (48) months after the Effective Date, as a condition to keeping the ownership interests described in Section 8.8(a)(iii)A, Tatum shall continue to provide non-exclusive reasonable transition services and/or oversight of Deals (“Continued Services”), if requested by the Company or the Employer, for a period not to exceed six (6) months. If Tatum sends the Requisite Notice after the date that is forty-eight (48) months after the Effective Date, Tatum shall only be required to provide Continued Services for four (4) months if requested by the Company or the Employer.

C. For purposes of this Agreement, a termination of Tatum due to his death shall be deemed a Termination by Tatum without Good Reason and the provisions of this subsection (iii) shall apply (except no notice or Continued Services shall be required).

D. In the event Tatum terminates his employment in accordance with Section 8.8(a)(iii)A prior to the date that is thirty-six (36) months after the Effective Date, then in such event, at the sole option of the Company and/or Employer, Employer may continue to pay Tatum his base compensation (as provided in the Employment Agreement) for the remainder of such thirty-six (36) month period, in the amount provided in his Employment Agreement, and in such event, Tatum may not, directly or indirectly, invest in, participate in, consult on, provide services with respect to, or sponsor, any transactions that are similar to the Deals contemplated by this Agreement, or to any other transactions executed by the Company, and may not provide any services or provide any advice, indirectly or directly, to any Person involved in the real estate industry until after the date that is thirty-six (36) months after the Effective Date. Tatum acknowledges and agrees that this restrictive covenant and the length of time for which he may potentially remain restricted is reasonable, and that he is not prevented from making a sufficient livelihood since he is being compensated at his base compensation (as provided in the Employment Agreement) and in addition has the ability to provide other services that are not restricted by the aforementioned provision. Tatum further acknowledges and agrees that the services he is providing are highly specialized and involve a great degree of experience and expertise. Tatum further acknowledges and agrees that the Company and its Members will invest large amounts of money and time in various Deals, and provide guarantees to third parties, in reliance upon Tatum providing the services discussed herein and in reliance upon this restrictive covenant, and that the Company would not have entered into this Agreement absent Tatum’s agreement to comply with the restrictions herein. Finally, Tatum agrees and acknowledges that this restrictive covenant serves numerous legitimate business purposes, including but not limited to protecting the significant amount of time, money and proprietary/confidential information the Company and/or Employer will be investing under and in connection with this Agreement.

(iv) Terminated by the Company without Cause.

A. Employer may terminate Tatum's employment without Cause, for any reason or for no reason at all. If the Employer terminates Tatum's employment without Cause, for any reason or for no reason at all, then JCT shall retain 100% percent of its ownership interest in any Vested Deals that were Vested on or prior to the Employment termination date. Tatum shall provide Continued Services if requested by the Company or the Employer for a period not to exceed six (6) months.

B. In the event, the Company terminates Tatum's employment in accordance with Section 8.8(a)(iv)A prior to the date that is thirty-six (36) months after the Effective Date, then in such event, at the sole option of Tatum, Employer shall continue to pay Tatum his base compensation for the remainder of such thirty-six (36) month period, in the amount provided in his Employment Agreement and in such event, Tatum shall not directly or indirectly, invest in, participate in, consult on, provide services with respect to, or sponsor, any transactions that are similar to the Deals contemplated by this Agreement, or to any other transactions executed by the Company, and may not provide any services or provide any advice, indirectly or directly, to any Person involved in the real estate industry until after the date that is thirty-six (36) months after the Effective Date.

(v) Termination for Cause. If Tatum's Employment is terminated by Employer at any time for Cause prior to the fifth anniversary of the Effective Date, then, JCT will thereupon forfeit 100% of its Membership Interest in the Company and shall forfeit any ownership interest in any Deals. If Tatum's Employment is terminated by Employer at any time for Cause on or after the fifth anniversary of the Effective Date, then, JCT will thereupon retain 100% of its ownership interest in any Stabilized Deals that were Stabilized on or prior to the Employment termination date (and shall forfeit any ownership interest in any other Deals).

(b) Special Allocation Provisions applicable to JCT. In the event the Economic Interest of JCT in the Company has been revised pursuant to one or more of the preceding paragraphs of Section 8.8(a) to a continued participation only in certain Vested Deals or Stabilized Deals (as applicable) of the Company, then, notwithstanding the provisions of Article IV hereof or any other provisions of this Agreement, the following provisions will apply to JCT: (i) JCT shall only be entitled to share in Cash Available for Distribution that the Company determines in good faith to be attributable to those Vested Deals or Stabilized Deals (as applicable) in which JCT has an Economic Interest; (ii) the Company shall be entitled to make special allocations of Net Profits and Net Losses and corresponding tax items to JCT in order to properly reflect JCT's continuing Economic Interest in the Company; and (iii) the Company shall be authorized to make any further adjustments to other provisions of this Agreement (including but not limited to, calculations of JCT's Capital Account or voting rights) that the Company deems necessary to reflect JCT's revised Economic Interest in the Company.

(c) Any Membership Interest forfeited by JCT pursuant to this Section 8.8 shall be allocated to FCM Affordable LLC. Upon any termination of Employment of, or by, Tatum, JCT shall solely have the ownership rights provided in Section 8.8(a) and Section 8.8(b).

8.9 Appraised-Value Purchase Option.

(a) Upon any termination of Employment of, or by, Tatum, any Member other than JCT (the “Purchasing Member”) may, or may cause its designee to, purchase from JCT all of the Interests then held by JCT for a purchase price equal to the Appraised Value (as defined below) of such Interests as of the date on which the notice of such election is sent to JCT. JCT’s Interests that are subject to the foregoing purchase shall be calculated on a fully diluted basis. If there are two or more Purchasing Members, such Purchasing Members shall be entitled to purchase the Interests of JCT, *pro rata*, in accordance with their respective Membership Interests. Upon the exercise by the Purchasing Member(s) of the purchase right under this Section 8.9, (i) JCT shall not acquire any additional Interests, and (ii) the Purchasing Member(s) shall designate the time, date and place at which the closing of the purchase shall take place; provided that the closing date shall be within thirty (30) days after the appraisers render their report.

(b) For the purposes of this Section 8.9, “Appraised Value” means, in respect of any Interest as of any particular date, the fair market value of such Interest (on a fully diluted basis and the fair market value of the Interest shall be determined based on the rights JCT shall have pursuant to Section 8.8), as determined by appraisers designated pursuant to the following sentence. The Purchasing Member(s) and JCT shall each designate an appraiser within thirty (30) days following the date of the notice of exercise of the purchase right under this Section 8.9. The appraisers, no matter by whom designated, shall be members in good standing, with the “MAI” designation, of the American Institute of Real Estate Appraisers with at least ten (10) years’ experience as a real estate appraiser, but shall not be an Affiliate of any Member. For the purpose of making the appraisal, the appraisers shall be given access to, and may review, subject to appropriate confidentiality arrangements and agreements, all books and records and information available to the Company, the Members and any of their respective Affiliates, that are reasonably related to the appraisal proceeding. The party requesting the books and records shall be responsible for all costs associated with collecting, organizing, copying and producing the books and records, including but not limited to legal fees incurred by the Company and/or Employer in connection with reviewing and complying with the books and records request. The appraisers shall prepare and submit their written appraisal to the Purchasing Member(s) and JCT. If the two appraisers agree upon the Appraised Value, they shall jointly render a written report thereof, which shall be conclusive and binding on the parties. If they have not so agreed within thirty (30) days following their appointment, then, they shall appoint a third appraiser, who shall determine the Appraised Value and render a written report thereof. The third appraiser’s determination shall be conclusive and binding on the parties. JCT and the Purchasing Members shall pay, on a pro rata basis (according to their relative Membership Interests), the fees and expenses of the appraisers. Notwithstanding anything to the contrary herein, each appraiser shall endeavor to avoid engaging in any contractual interpretation or legal analysis in rendering the valuation. However, to the extent that an appraiser engages in contractual interpretation or legal analysis in connection with rendering a valuation, then said contractual interpretation and/or legal analysis shall be subject to review by a court, and the valuation shall be upheld or modified in accordance with the findings of the such court.

(c) By execution of this Agreement, JCT hereby irrevocably appoints each other Member as its attorney-in-fact, with full power of substitution, to execute and deliver all documents necessary to JCT’s sale of all of its Interests in the Company in accordance with this Section 8.9; provided, however, that the Company shall cause such power of attorney to be exercised only in the limited

circumstances if the Purchasing Member(s) shall request in writing that JCT execute and deliver all documents necessary to effect such sale and JCT fails to so execute and deliver all such documents within a reasonable period after delivery of the written request therefor.

ARTICLE IX

DISSOLUTION AND TERMINATION

9.1 Events Causing Dissolution and Winding-up. The Company shall be dissolved and wound up upon the first to occur of the following events:

- (a) the affirmative vote of a Majority in Interest; or
- (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

9.2 Election to Continue the Business of the Company.

(a) Notwithstanding Section 9.1, an event specified in Section 9.1 shall not result in the dissolution, winding up and termination of the Company if, within 90 days after the occurrence of any such event, a Majority in Interest, as of the date of such event, elects to continue the business of the Company. If the business of the Company is so continued, any Member that does not vote to so continue shall nevertheless continue as a Member.

(b) If the Members elect to continue the business of the Company under Section 9.2(a), the Company shall continue as a limited liability company pursuant to the Act under this Agreement until a subsequent event causing dissolution hereunder or under the Act, in which event an election as to whether or not to continue the business of the Company will again be required.

(c) Notwithstanding anything contained in this Section 9.2 to the contrary, a Member shall be deemed to have elected to continue the business of the Company after an event specified in Section 9.1 if the Company has not received, within the 90-day period set forth in Section 9.2(a), written notice that such Member objects to continuation.

9.3 Winding up of the Company.

(a) If the Members do not elect to continue the business of the Company under Section 9.2, or if the Company is otherwise to be dissolved in accordance with Section 9.1, then a Majority in Interest or any other Person selected by a Majority in Interest (the "Liquidator") shall wind up the affairs of the Company, including by selling or otherwise liquidating the Company's assets in a *bona fide* sale or sales to third Persons at such prices and upon such terms as they may determine. If the Liquidator determines that an immediate sale would be financially inadvisable, it may defer sale of the Company assets for a reasonable time, or distribute the assets in kind. During the winding up period, the Liquidator may exercise all powers granted to a Majority in Interest under this Agreement, and may adopt such plan, method or procedure as may be reasonable to effect an orderly winding up.

(b) The proceeds of any liquidation of the Company shall be distributed in the following order of priority (to the extent that such order of priority is consistent with the laws of the State of Delaware):

(i) first, to the payment of the debts and liabilities of the Company and the expenses of dissolution and liquidation;

(ii) then, to the establishment of any reserves which the Liquidator shall deem reasonably necessary for payment of such other debts and liabilities of the Company (contingent or otherwise), as are specified by the Liquidator, such reserves to be held in escrow by a bank or trust company selected by the Liquidator, and, to be disbursed as directed by the Liquidator in payment of any of the specified debts and liabilities or, at the expiration of such period as the Liquidator may deem advisable, to be distributed in the manner hereinafter provided;

(iii) then, to each Interest Holder, *pro rata*, based upon Unreturned Capital Contributions up to an amount equal to such Interest Holder's Unreturned Capital Contribution; and

(iv) then, to each Interest Holder in accordance with its Capital Account.

(v) then, to each Interest Holder, *pro rata*, in accordance with its percentage Interest.

(c) If any assets are distributed in kind, they shall be distributed on the basis of the fair market value thereof, and shall be deemed to have been sold at fair market value for purposes of the allocations under Article IV.

(d) If the Company is liquidated under Treas. Reg. Section 1.704-1(b)(2)(ii)(G), the liquidating distribution shall be made by the later of (i) the end of the Fiscal Year in which liquidation occurs, or (ii) ninety (90) days after the date of liquidation.

(e) The Company shall terminate when all assets of the Company have been sold and/or distributed and all affairs of the Company have been wound up.

(f) At such time that the Interest Holders receive distributions pursuant to Section 4.1(b), there shall be no distributions made to the Interest Holders pursuant to Sections 9.3(b)(iii). It is the intention of the parties not to repeat distributions made pursuant to Section 4.1(a).

9.4 Certificate of Cancellation. Within ninety (90) days following the dissolution and the commencement of winding up of the Company, or at any other time when there are no Members, a Certificate of Cancellation shall be prepared, executed and filed in accordance with the Act.

9.5 No Obligation to Assignees. The Company shall have no liability or obligation to any Interest Holders other than Members under Section 9.3 or otherwise in connection with the dissolution and liquidation of the Company.

ARTICLE X

INDEMNIFICATION

10.1 Indemnification. To the fullest extent permitted by applicable law from time to time in effect:

(a) the Company shall indemnify and hold harmless the Members, officers, directors, agents and employees of the Company and their respective shareholders, members (including managing members), partners, officers, directors, employees, agents and other Affiliates (each, an “Indemnitee”), against all Losses paid or incurred by any such Person in connection with the conduct of the Company’s business, except to the extent such Losses arise out of the gross negligence, fraud, bad faith or willful or intentional misconduct of such Person; and

(b) each Indemnitee who at any time is, or has been, a Member, officer, director, agent or employee of the Company (an “Affiliated Indemnitee”), and is threatened to be, or is, made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that it is, or was, a Member, officer, director, agent or employee of the Company, or is serving, or has served, at the request of the Company as a manager, officer, director, member, employee or agent of another Person, shall be indemnified against all Losses incurred in connection with any such pending, threatened or completed action, suit or proceeding, except to the extent such Losses arise out of the gross negligence, fraud, bad faith or willful or intentional misconduct of such Person.

10.2 Advancement of Expenses. An Affiliated Indemnitee shall be entitled to receive, upon application therefor, advances from the Company to cover the costs (including attorneys’ fees) incurred in defending any pending, threatened or completed claim, action, suit or proceeding against it for Losses in connection with which it would be entitled to indemnification under this Article X; provided that such advances shall be repaid to the Company (with interest thereon at an annual rate equal to five percent (5%) per annum) if the Affiliated Indemnitee receiving such advance is found by a court of competent jurisdiction upon entry of a final judgment to have violated any of the standards set forth herein that preclude indemnification hereunder.

10.3 Right of Indemnitee to Bring Suit. If a claim under Section 10.1 or 10.2 is not paid in full by the Company within thirty (30) days after a written claim has been received by the Company, except in the case of a claim for an advancement of expenses by an Affiliated Indemnitee, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, the Indemnitee shall be entitled to be paid also the expense of prosecuting such suit. Neither the failure of the Company to have made a determination prior to the commencement of such action that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in this Agreement, nor an actual determination by the Company that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit.

10.4 Rights Not Exclusive; Survival. The rights of an Indemnitee set forth in this Article X shall not be exclusive of any other rights to which it may be entitled, whether by separate agreement or otherwise, nor shall such rights limit or affect any other such rights. All rights of an Indemnitee under this Article X shall survive the dissolution of the Company and any withdrawal with respect to such Indemnitee, and shall inure to the benefit of his or its heirs, personal representatives, successors and assigns.

10.5 Source of Payment. Notwithstanding anything contained herein to the contrary, any amount to which an Indemnitee may be entitled under this Article X shall be paid only out of the assets of the Company and any insurance proceeds available to the Company for such purposes. No Member shall be personally liable for any amount payable pursuant to this Article X, or to make any Capital Contribution, return any distribution made to it by the Company, or restore any Negative Capital Account balance to enable the Company to make any such payment. The Company may, in the reasonable discretion of a Majority in Interest and to the extent commercially practicable, obtain at the Company's expenses insurance with per-claim and aggregate limits reasonably expected to cover its anticipated obligations hereunder.

10.6 Amendments. Notwithstanding anything contrary in this Agreement, including any amendment or repeal adopted under Section 12.4, no amendment to this Article X shall adversely affect any right or protection of an Indemnitee or Affiliated Indemnitee who was serving at or prior to the time of such amendment or repeal, and such rights and protections shall survive such amendment or repeal with respect to events that occurred before such amendment or repeal.

ARTICLE XI

REPRESENTATIONS AND WARRANTIES

11.1 Company Representations. The Company represents and warrants to each Member that:

(a) The execution and delivery of this Agreement and the compliance by the Company with all the provisions hereof, and the consummation of each of the transactions contemplated herein, (i) are within the corporate powers and authority of the Company and (ii) have been duly authorized by all requisite corporate proceedings on the part of the Company. This Agreement is a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms.

(b) None of: (i) the execution and delivery of this Agreement by the Company; (ii) the fulfillment of or compliance by the Company with the terms and provisions hereof; or (iii) the consummation by the Company of any of the transactions contemplated hereby, will conflict with or result in a breach of the terms, conditions or provisions of, or give rise to a right of termination under, or constitute a default under, or result in the loss of any right or benefit under or result in any violation of (in each case with or without giving of notice or the passage of time or both), (x) the Certificate of Formation, (y) any agreement, lease, evidence of indebtedness, mortgage, indenture, security agreement or other contract (whether written or oral) to which the Company is a party, or (z) any permit, certificate of authority, authorization, approval, registration, franchise and similar consent

granted or issued by any governmental or regulatory authority, instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its property is subject.

11.2 Investment Representations. Each Interest Holder hereby represents and warrants to the Company and to each other Interest Holder as follows:

(a) Authorization. The decision to invest in the Company, the execution and delivery of this Agreement by the Interest Holder, the performance by the Interest Holder of its obligations hereunder and the consummation by the Interest Holder of the transactions contemplated hereby have been duly authorized by all necessary action, no other proceedings by or on behalf of the Interest Holder being necessary. The Person executing this Agreement has (i) the legal capacity to execute and deliver this Agreement or (ii) has all right, power and authority to execute and deliver this Agreement on behalf of the Interest Holder. This Agreement has been duly executed and delivered by the Interest Holder and, assuming the due authorization, execution and delivery hereof by the Company, will constitute the legal, valid and binding obligations of the Interest Holder, enforceable against the Interest Holder in accordance with its terms.

(b) Accredited Investor. The Interest Holder is aware of what constitutes an “accredited investor” as that term is defined under Regulation D promulgated under the Securities Act of 1933, and under the laws, if any, of each state governing the Interest Holder, and the Interest Holder is an accredited investor for purposes of Regulation D and the laws, if any, of the state governing the Interest Holder. The Interest Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investing in the Company, and all information that the Interest Holder has provided concerning the Interest Holder, the Interest Holder’s financial position and knowledge of financial and business matters is true, correct and complete. If the Interest Holder is a “covered person” within the meaning of Rule 506(d) of Regulation D, such Interest Holder has not been subject to or experienced any disqualifying event described in Rule 506(d). The Interest Holder acknowledges and understands that the Company will rely on the information provided by the Interest Holder with this Agreement for purposes of complying with Federal and applicable state Securities Laws.

(c) Due Diligence. The Interest Holder has (i) received any and all documents relating to the Company that have been requested by the Interest Holder (collectively, the “Documents”), (ii) carefully reviewed the Documents, (iii) had the opportunity to obtain any additional information necessary to verify the accuracy of the information contained in the Documents and (iv) been given the opportunity to meet with representatives of the Company and to have them answer any questions and provide any additional information regarding the terms and conditions of this particular investment deemed relevant by the Interest Holder, and all such questions have been answered and requested information provided to the Interest Holder’s full satisfaction. In making its decision to purchase an Interest, the Interest Holder has relied solely upon its review of the Documents referred to above, this Agreement and independent investigations made by it or its representatives. The Interest Holder acknowledges that, except as explicitly set forth in this Agreement, no representations or warranties have been made to the Interest Holder by or on behalf of the Company.

(d) Independent Counsel. The Interest Holder acknowledges that it has been advised to consult with its own attorney regarding legal matters concerning the Company and to consult with

its own tax advisor regarding the tax consequences of acquiring the Interest.

(e) No Distribution. The Interest Holder is acquiring the Interest for its own account for investment and not with a view to or for resale in connection with any distribution of the Interests. It has not offered or sold any portion of the Interest and has no present intention of dividing the Interest with others or of selling, distributing or otherwise disposing of any portion of the Interest either currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined event or circumstance.

(f) No Registration. Such Interest Holder acknowledges that:

(i) the Interest owned by it has not been registered under the Securities Act of 1933, any other Federal securities laws or any state securities or “blue sky” laws (collectively, the “Securities Laws”) because the Company is issuing (or an Interest Holder has Transferred) such Interest in reliance upon exemptions from the registration requirements contained in the Securities Laws for issuances not involving a public offering;

(ii) the Company (or the Transferor) has relied upon the fact that the Interest is to be held for investment purposes only, and not with a view to any resale or distribution thereof; and

(iii) the Company is under no obligation to register or qualify the Interest or to assist any Interest Holder in complying with any exemption from registration under the Securities Laws if such Interest Holder wishes to dispose of the Interest.

(g) Speculative Investment. The Interest Holder understands that the investment in the Company is an extremely speculative investment that involves a high degree of risk. The Company makes no assurances, of any kind or nature, concerning the present or prospective value of the Interests. The Interest Holder is able to bear the economic risks of this investment and, consequently, without limiting the generality of the foregoing, is able to hold the Interests for an indefinite period of time and has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such loss should occur. The Interest Holder also represents that no assurances or guarantees have been made to the Interest Holder by anyone regarding whether the Company’s business objective will be realized or whether the Company’s business strategy will prove successful.

(h) Limitations on Transfer. The Interest Holder understands that this Agreement contains significant restrictions on the Interest Holder’s ability to Transfer the Interests. There is currently no public or other market for the Interests and the Company has no intention of listing the Interests on any securities exchange. The Interests have not been registered under the Securities Laws. The Interests may not be sold, assigned, pledged or otherwise Transferred, nor will any assignee, vendee, transferee or endorsee thereof be recognized as having any interest in such Interest by the Company for any purpose, unless such sale, assignment, pledge or other Transfer is made in accordance with this Agreement and applicable Securities Laws.

(i) Other Activities. The Interest Holder acknowledges that each other Interest Holder and its members (including managing members), managers, partners, officers, Affiliates and employees may engage in other activities or ventures which result in various conflicts of interest

between such persons or entities and the Company. No Member or any of its members (including managing members), managers, partners, officers, Affiliates and employees have any obligation to, nor do they intend to, devote their full time to the business of the Company. Such persons and entities are required to devote only such time and attention to the affairs of the Company as they may deem appropriate in their reasonable discretion.

(j) Limitations on Distributions. The Interest Holder understands that: (i) this Agreement provides that distributions will be made in accordance with Section 4.1; (ii) the Company is treated as a partnership for Federal and state income tax purposes; (iii) if the Company has income during the Company's tax year, the Interest Holder may report such income on its Federal income tax return and as a result, the Interest Holder may be liable for Federal income taxes as a result of the Interest Holder's holding; and (iv) the Company may not declare cash distributions for the foreseeable future, and, as a result, such Interest Holder would need to find a source of cash other than the Company in order to pay any taxes that it owes as a result of the Company's income.

(k) No Recommendation by Securities Commissions. The Interest Holder acknowledges that the Interests have not been recommended by any Federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document.

11.3 Disclaimer. It is specifically understood and agreed by the Interest Holder that none of the Company, any Member or any of their respective Affiliates have made, nor by this Agreement shall be construed to make, directly or indirectly, explicitly or by implication, any representation, warranty, projection, assumption, promise, covenant, opinion, recommendation or other statement of any kind or nature with respect to the anticipated profits or losses of the Company. The Company has made available to the Interest Holder and the Interest Holder's accountants, attorneys and other advisors full and complete information concerning the financial structure of the Company, and any and all data requested by the Interest Holder as a basis for estimating the potential profits and losses of the Company and the Interest Holder acknowledges that the Interest Holder has either reviewed such information or has waived review of such information.

11.4 No Other Representations. Notwithstanding anything to the contrary contained in this Agreement, the Interest Holder acknowledges that the Company is making no representation or warranty whatsoever, express or implied, except those representations and warranties contained herein. In particular, the Company makes no representation or warranty to the Interest Holder with respect to the financial and other information relating to the financial condition, business or operations of the Company. The Interest Holder acknowledges that (a) there are uncertainties inherent in attempting to make projections and forecasts, (b) it is familiar with such uncertainties, (c) it is taking full responsibility for making its own evaluation of the adequacy and accuracy of any and all projections and forecasts furnished to it and (d) it shall have no claim against the Company, any other Member or their respective advisors with respect thereto.

11.5 Indemnity. The Interest Holder shall indemnify and hold harmless the Company, and each other person, if any, who controls any such entity within the meaning of Section 15 of the Securities Act of 1933 against any and all Losses (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation

commenced or threatened or any claim whatsoever) arising out of or based upon any actual or alleged misrepresentation or misstatement of facts or omission to represent or state facts made or alleged to have been made by the Interest Holder to the Company, or omitted or alleged to have been omitted by the Interest Holder, concerning the Interest Holder, or any breach or failure by the Interest Holder to comply with any representation, warranty, covenant or agreement made by the Interest Holder or in any other document furnished by the Interest Holder to any of the foregoing in connection with this Agreement, or its authority to invest or financial position in connection with the offering or sale of the Interests, including, without limitation, any such misrepresentation, misstatement or omission contained herein or any other document submitted by the Interest Holder.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Notices. Except as otherwise set forth herein, any notice, demand or communication required or permitted to be given under this Agreement shall be (a) in writing, (b) delivered by hand, nationally recognized overnight courier service, facsimile or registered or certified mail, postage prepaid, addressed to a party at its mailing address or facsimile number set forth in the books and records of the Company, and (c) deemed to have been given on the date delivered by hand or sent by facsimile, one business day after deposit with such courier service, and three business days after being deposited in the United States mail.

12.2 Books of Accounts and Records.

(a) At the expense of the Company, a Majority in Interest shall maintain at the Company's principal place of business or its agent's office, separate books of account for the Company.

(b) Upon reasonable advance notice, during normal business hours, any Member or its representatives may, at its expense, inspect and copy the records described in Section 12.2(a) for any purpose reasonably related to such Member's Interest.

12.3 Application of Delaware Law; Forum. This Agreement, and the application or interpretation hereof, shall be governed by and in accordance with the laws of the State of Delaware applicable to agreements made and fully to be performed therein, and specifically the Act. Any action or proceeding hereunder must be commenced and prosecuted exclusively in the state or Federal courts located in the State of Delaware, and each Member hereby waives any objection such Person may have based on improper venue or inconvenient forum in connection with any such action or proceeding in any such court.

12.4 Amendments.

(a) Except as otherwise permitted by this Agreement or the Act, this Agreement may only be amended by the affirmative vote of 100% of the Interest Holders.

(b) Notwithstanding anything to the contrary contained in Section 12.4(a), a Majority in Interest may amend the provisions of this Agreement if, upon advice of counsel to the Company, the amendment is necessary to cause (i) the Company to be or to continue to be classified as a partnership for Federal income tax purposes or (ii) the allocations under Article IV to have substantial economic effect or to be in accordance with the Members' interests under Section 704 of the Code and the Treasury Regulations thereunder. No amendment hereunder may alter the limited liability of the Members or have a material adverse effect on amounts distributable to any Member pursuant to this Agreement.

(c) Notwithstanding anything to the contrary contained in this Section 12.4, any amendment to this Agreement that would adversely affect (i) the Federal income tax treatment to be afforded a Member, (ii) the liabilities of a Member, or (iii) the consent and approval rights reserved by the Members, or which would otherwise change the method of calculating allocations or distributions under Article IV, shall require the consent of each Member affected.

12.5 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further documents and instruments, including, without limitation, statements of their Interests and powers of attorney, as necessary to comply with applicable law or otherwise as reasonably requested by a Majority in Interest.

12.6 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the neuter gender shall include the feminine and masculine genders and vice versa. Unless otherwise provided herein:

(a) the word "discretion" when referring to "the Members' discretion" or "a Majority in Interest's discretion" or any other phrase of similar import shall be deemed to mean the "sole and absolute discretion of the Members" or the "sole and absolute discretion of a Majority in Interest", respectively;

(b) the phrase "determined", "elected", "selected" or any other phrase of similar import describing any decision or action by the Members or a Majority in Interest shall be deemed to mean "determined," "elected", "selected" or any other decision or action, as the case may be, "by a the Members in their sole and absolute discretion" or "by a Majority in Interest in its sole and absolute discretion", respectively;

(c) the phrase "the vote", "the approval" or "the consent" of the Members or a Majority in Interest or any other phrase of similar import shall be deemed to mean "the vote", "the approval" or "the consent", as the case may be, "of the Members, in their sole and absolute discretion" or "of a Majority in Interest, in its sole and absolute discretion", respectively; and

(d) the word "including" shall be deemed to be followed by "without limitation".

12.7 Headings. The headings in this Agreement are for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions.

12.8 Waivers; Rights and Remedies Cumulative. The failure of any party to pursue any remedy for breach, or to insist upon the strict performance, of any covenant or condition contained in this Agreement shall not constitute a waiver of any such right with respect to any subsequent breach. Except as otherwise expressly set forth herein, rights and remedies under this Agreement are cumulative, and the pursuit of any one right or remedy by any party shall not preclude, or constitute a waiver of, the right to pursue any or all other remedies. All rights and remedies provided under this Agreement are in addition to any other rights the parties may have by law, in equity or otherwise.

12.9 Severability. If any provision, or portion thereof, of this Agreement, or its application to any Person or circumstance, shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement, such provision and their application shall not be affected thereby, but shall be interpreted without such unenforceable provision or portion thereof so as to give effect, insofar as is possible, to the original intent of the parties, and shall otherwise be enforceable to the fullest extent permitted by law.

12.10 Successors and Assigns. All of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

12.11 Counterparts; Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, email, or other electronic means and faxed, emailed, or electronically transmitted signatures constitute original signatures.

12.12 No Right to Petition for Dissolution. The Members agree that irreparable harm would be done to the business and goodwill of the Company if any Member were to bring an action in any court under the Act for the judicial dissolution of the Company. Accordingly, each Member, in its capacity as such, hereby irrevocably waives any such right to petition for dissolution of the Company under the Act, and all similar rights under other applicable law.

12.13 No Third Party Beneficiaries. Except for the Indemnitees and Affiliated Indemnitees, (a) the covenants, obligations and rights set forth in this Agreement are not intended to benefit any creditor of the Company or of any Interest Holder, or any other third Person, and (b) except as permitted by applicable law, or in connection with certain wrongful distributions, no such creditor or other third Person shall, under any circumstances, have any right to compel any actions or payments by the Members or shall, by reason of any provision contained herein, be entitled to make any claim in respect of any debt, liability, obligation or otherwise against the Company or any Interest Holder.

12.14 Entire Agreement. This Agreement (including any Schedule hereto) and the Certificate of Formation embody the entire understanding and agreement between the Members concerning the subject matter hereof and supersede any and all prior negotiations, understandings or agreements with respect thereto, including but not limited to the Prior Agreement.

12.15 Advice by Counsel; Joint Drafting; Conflict of Interest. Each party has been advised in writing to consult with independent legal counsel and tax advisor prior to executing this


Agreement. Each party represents and warrants that it has investigated the facts it has deemed necessary to execute this Agreement, that it has had the opportunity to review and discuss this Agreement with its counsel and accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to their fair meaning, and not strictly for or against either party. Each Member, on its own behalf and on behalf of its Affiliates, hereby expressly and knowingly consents to the law firm of Sadis & Goldberg LLP representing the Company and the Member constituting a Majority in Interest as of the date hereof in connection with the preparation and negotiation of this Agreement. Each other Member hereby agrees that it shall not, and shall cause its Affiliates not to, have Sadis & Goldberg LLP disqualified from representing the Company or the Member constituting a Majority in Interest as of the date hereof, on the one hand, and such other Member, on the other, based upon, arising out of or related to this Agreement.

[Remainder of this page intentionally left blank]

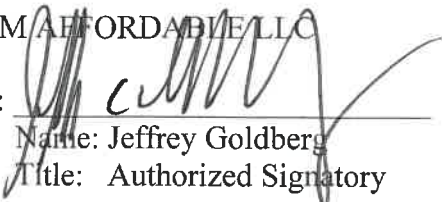
IN WITNESS WHEREOF, the undersigned have executed this Operating Agreement as of the date first above written.

MEMBERS:

JD2 AFFORDABLE LLC

By: 
Name: Stuart Feldman
Title: Authorized Signatory

FCM AFFORDABLE LLC

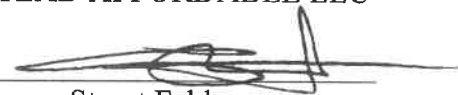
By: 
Name: Jeffrey Goldberg
Title: Authorized Signatory

JCT CAPITAL LLC

By: 
Name: John Corley Tatum III
Title: Sole Member

COMPANY:

FAIRSTEAD AFFORDABLE LLC

By: 
Name: Stuart Feldman
Title: Authorized Signatory

**Solely in respect of Section 8.8 hereof and
not as a Member:**



John Corley Tatum III

Schedule I

Names, Addresses, Initial Capital Contributions, and Membership Interests
of Members of Fairstead Affordable LLC

Effective as of January 1, 2018

Name	Status	Address	Initial Capital Contribution	Membership Interest
JD2 Affordable LLC	Member	250 West 55 th Street, 35 th Fl., New York, New York 10019	\$30	30.00%
FCM Affordable LLC	Member	250 West 55 th Street, 35 th Fl., New York, New York 10019	\$64.75	64.75%
JCT Capital LLC	Member	250 West 55 th Street, 35 th Fl., New York, New York 10019	\$5.25	5.25%

St. Marks Apartments

Oakland, CA

St. Marks Apartments
Oakland, CA

Form 8609

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)
St. Marks Apartments
394 12th Street, Building 1 of 1
Oakland, CA 94607

B Name and address of housing credit agency
California Tax Credit Allocation Committee
915 Capitol Mall, Suite 485
Sacramento, CA 95814

C Name, address, and TIN of building owner receiving allocation
St. Marks Preservation, LP
250 West 55th Street, 35th Floor
New York, NY 10019

D Employer identification number of agency
68-0280919

E Building identification number (BIN)

TIN \triangleright 81-3141519

CA-16-97601

- 1a** Date of allocation \triangleright _____ **b** Maximum housing credit dollar amount allowable
- 2** Maximum applicable credit percentage allowable (see instructions)
- 3a** Maximum qualified basis
- b** Check here 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)
- 4** Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)
- 5** Date building placed in service \triangleright 12/18/2018
- 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** Allocation subject to non-profit set-aside under sec. 42(h)(5)

1b	\$884,782
2	3.32%
3a	\$26,650,064
3b	130%
4	67.00%

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 to the best of my knowledge and belief, the information is true, correct, and complete.

Anthony Zeto
Deputy Director

September 1, 2020

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** 26,650,064
- 8a** Original qualified basis of the building at close of first year of credit period **8a** 26,650,064
- 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 housing in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3)(B))? \triangleright Yes No *N/A*
- 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)) \triangleright Yes No
- b** Elect not to treat large partnership as taxpayer (section 42(j)(5)) \triangleright Yes
- c** Elect minimum set-aside requirement (section 42(g)) (see instructions)
 20-50 40-60 Average income 25-60 (N.Y.C. only) 15-40
- 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.

81-3141519

9/10/2020

Signature
John Tatum,

Taxpayer identification number

Date

Authorized Signatory
Name (please type or print)

2018
First year of the credit period

Low-Income Housing Credit Allocation and Certification

Department of the Treasury
Internal Revenue Service

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)
St. Marks Apartments
394 12th Street, Building 1 of 1
Oakland, CA 94607

B Name and address of housing credit agency
California Tax Credit Allocation Committee
915 Capitol Mall, Suite 485
Sacramento, CA 95814

C Name, address, and TIN of building owner receiving allocation
St. Marks Preservation, LP
250 West 55th Street, 35th Floor
New York, NY 10019

D Employer identification number of agency
68-0280919

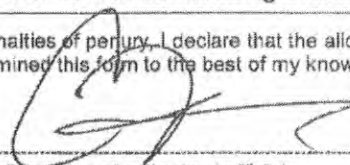
E Building identification number (BIN)
CA-16-97601

TIN ▶ 81-3141519

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$960,677
2 Maximum applicable credit percentage allowable (see instructions)		2	3.24%
3a Maximum qualified basis		3a	\$29,650,522
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	100%
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	67.00%
5 Date building placed in service	▶ 02/10/2017		
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 non-profit 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 to the best of my knowledge and belief, the information is true, correct, and complete.


 Signature of authorized official


Anthony Zeto
 Deputy Director
 Name (please type or print)

September 1, 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	29,650,522
8a Original qualified basis of the building at close of first year of credit period	8a	29,650,522
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 8a or box 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A
b For market-rate units above the average quality standards of low-income housing in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3)(B))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A
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 of John Tatum,

81-3141519
 Taxpayer identification number

9/10/2020
 Date

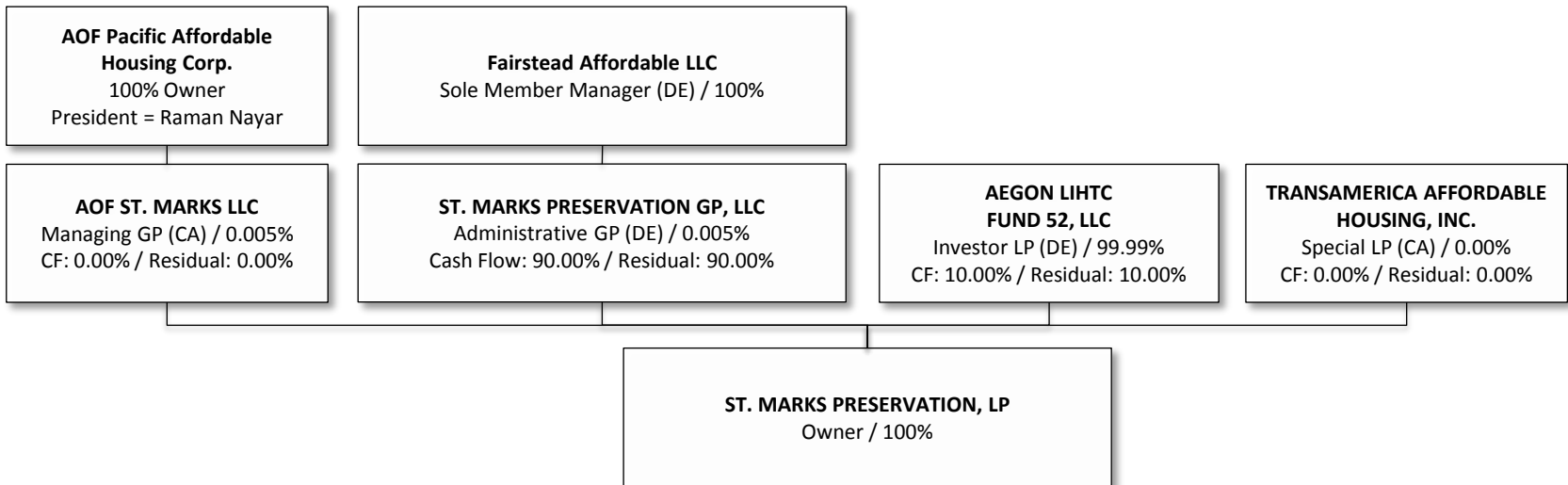
2018
 First year of the credit period

St. Marks Apartments

Oakland, CA

Organizational Chart

Property Owner – Tax Credit



St. Marks Apartments
Oakland, CA

Limited Partnership
Agreement

SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
ST. MARKS PRESERVATION, LP,
A DELAWARE LIMITED PARTNERSHIP

Dated as of June 30, 2017

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D	Annual Operating Budget
E	Amortization Schedule
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SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
ST. MARKS PRESERVATION, LP,
A DELAWARE LIMITED PARTNERSHIP

THIS SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF ST. MARKS PRESERVATION, LP, a Delaware limited partnership (this “**Agreement**”), is made and entered into as of the 30th day of June, 2017, by and among AOF ST. MARKS LLC, a California limited liability company, as the managing general partner (the “**Managing General Partner**”), ST. MARKS PRESERVATION GP, LLC, a Delaware limited liability company, as the administrative general partner (the “**Administrative General Partner**” and, together with the Managing General Partner, the “**General Partners**”), AEGON LIHTC FUND 52, LLC, a Delaware limited liability company, as the investor limited partner (“**Aegon 52**” or the “**Investor Limited Partner**”), TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation, as the special limited partner (“**Special Limited Partner**”), and ST. MARKS INVESTOR, LLC, a Delaware limited liability company, as the withdrawing limited partner (the “**Withdrawing Limited Partner**”), on the following terms and conditions:

RECITALS

WHEREAS, the Administrative General Partner and Fairstead Affordable LLC, a Delaware limited liability company (“**Fairstead Affordable LLC**”) established St. Marks Preservation, LP, a Delaware limited partnership, under the laws of the State of Delaware by entering into that certain Agreement of Limited Partnership dated as of July 25, 2016, as amended and restated pursuant to that certain Amended and Restated Agreement of Limited Partnership dated as of February 1, 2017 pursuant to which the Managing General Partner and the Withdrawing Limited Partner were admitted to the Partnership and Fairstead Affordable LLC withdrew from the Partnership (collectively, the “**Original Agreement**”), and by causing a Certificate of Limited Partnership to be filed with the Delaware Secretary of State on June 13, 2016, which certificate has been amended as of February 6, 2017 to reflect the admission of the Managing General Partner to the Partnership, and by causing an Application for Registration to be filed with the State of California Secretary of State on June 21, 2016, as amended on February 6, 2017, pursuant to which the Partnership is qualified to do business in the State of California, for the purposes of acquiring the fee interest in approximately 0.2297 acres of land located at 394 12th Street in Oakland, California, and rehabilitating, developing, maintaining and operating thereon a rental housing development for use by seniors aged 62 years or older and persons with physical, mental and developmental disabilities, which contains, in the aggregate, 102 dwelling units in one (1) nine-story building plus commercial space and related amenities; 100 of the units are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code (as defined in Article 1 below) and 2 units are expected to be occupied by either full-time resident managers, full-time resident maintenance personnel, or otherwise converted to a non-revenue producing unit (the “**Project**”).

WHEREAS, the Investor Limited Partner and the Special Limited Partner desire to acquire limited partnership interests in the Partnership pursuant to the terms and conditions set forth herein and in the other Project Documents (as defined herein). The parties hereto desire to amend and restate the Original Agreement (i) to admit the Investor Limited Partner and the

Special Limited Partner, (ii) to provide for the withdrawal of the Withdrawing Limited Partner, and (iii) to set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto do hereby mutually covenant and agree that the Original Agreement is hereby amended and restated in its entirety on the following terms and conditions:

ARTICLE 1
DEFINITIONS

Unless the context otherwise clearly requires, the terms defined in this Article shall for all purposes of this Agreement have the meanings specified in this Article 1, to be equally applicable to both the singular and plural forms of the terms defined. Reference to federal, state or local statutes or regulations and any governmental rules, permits, or licenses are to be construed as including all amendments or successors thereto. The words “includes,” “include” and “including” shall be deemed to be followed by the words “without limitation.” References to agreements, instructions, and other documents shall be deemed to include all subsequent amendments, other modifications, and successor documents thereto, but only to the extent such amendments, other modifications, and successor documents are made in accordance with the terms of the original agreement, instrument, or other document, and are not prohibited by the terms of this Agreement. References to persons include their respective permitted successors and assigns. References to the masculine, feminine or neuter gender shall be deemed to include the others whenever the context so indicates or requires.

Capitalized words and phrases used in this Agreement shall have the following meanings:

“Accountants” means initially Dauby, O’Connor & Zaleski, LLC of Carmel, Indiana, or any successor firm of independent certified public accountants employed by the Partnership pursuant to Section 8.6.

“Accountants’ Certificate” means the certificate in the form attached hereto as Exhibit H to be delivered by the Accountants on the Fourth Payment Date, the Fifth Payment Date and the Final Payment Date.

“Accountants’ Determination” means a determination made by the Accountants following the Fourth Payment Date, the Fifth Payment Date and the Final Payment Date concerning the amount of Housing Tax Credits allocable to the Investor Limited Partner during the entire Credit Period and/or during any one or more Fiscal Years during the Credit Period, as reflected in a final version of any Partnership Tax Return prepared by the Accountants or by Notice or other communication from the Accountants to a General Partner or the Investor Limited Partner.

“Accountants’ Fifty Percent Test Certification” means the written certification of the Accountants that the Fifty Percent Test has been met.

“Act” means the Revised Uniform Limited Partnership Act in effect in the State of Delaware, as amended from time to time (or any corresponding provisions of succeeding law).

“Administrative General Partner” means St. Marks Preservation GP, LLC, a Delaware limited partnership, or its successors or assigns as permitted by this Agreement.

“AEGON” means AEGON USA Realty Advisors, LLC, an Iowa limited liability company, as advisor and asset manager on behalf of the Investor Limited Partner.

“AEGON Affiliated Insurance Company” means an insurance company directly or indirectly controlled by or under common control with AEGON N.V.

“Affiliate” means, with respect to any Person, (i) such Person; (ii) each member of the Immediate Family of such Person; or (iii) any corporation, partnership, limited liability company, trust or other entity directly or indirectly controlling, controlled by or under common control with such Person. For this purpose “control,” “controlled” or “controlling” means (w) the ownership, directly or indirectly, of more than ten percent (10%) of the voting stock or other voting equity participation of the corporation or other entity in question, or (x) control of management through holding, directly or indirectly, a general partnership interest in a limited partnership or a managing member interest in, or right to control, a limited liability company (including, but not limited to, acting as a non-member manager of a limited liability company), or (y) if such Person has no stock or other equity, control over a majority of the board of directors of such Person; or (z) the direct or indirect power under contract to direct the management, financial, legal, beneficial, day-to-day operations or other interests of a company (or other entity).

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by the IRS or any other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received. For the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Aggregate Housing Tax Credit Shortfall” shall have the meaning set forth in Section 3.2.

“Agreement” means this Second Amended and Restated Limited Partnership Agreement of St. Marks Preservation, LP, a Delaware limited partnership, and as may be amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time.

“Annual Housing Tax Credit Shortfall” means an Accountants’ Determination or a Final Determination that the amount of Housing Tax Credits allocated annually in any of the years

2018 through 2027 to the Investor Limited Partner are less than the Projected Annual Investor Housing Tax Credit Amount for such year(s).

“Annual Housing Tax Credit Shortfall Amount” means an amount, on an After-Tax Basis, to be paid within thirty (30) days following the receipt of the Accountants’ Determination or Final Determination evidencing an Annual Housing Tax Credit Shortfall equal to the sum of (1) the difference between (x) the Housing Tax Credits actually allocable to the Investor Limited Partner in the current Fiscal Year (after giving effect to any disallowance or recapture of Housing Tax Credits required as a result of an Annual Housing Tax Credit Shortfall), and (y) the Projected Annual Investor Housing Tax Credit Amount for such Fiscal Year, plus (2) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such disallowance or recapture of Housing Tax Credits.

“Annual Operating Budget” means the annual budget for the operation of the Project for a Fiscal Year, as established pursuant to Section 7.4.

“Annual Shortfall Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Annual Shortfall Adjustment Year” shall have the meaning set forth in Section 3.2.

“Architect” means Gelfand Partners Architects of San Francisco, California.

“Architect’s Certificate” means a Certificate executed by the Architect substantially in the form attached hereto as Exhibit G.

“Asset Management Fee” means the annual fee to be paid by the Partnership to the Asset Manager commencing in the year of the Completion Date in the amount of \$5,000, increasing at a rate of three percent (3%) per annum on the first day of each subsequent year. The Asset Management Fee shall be due and payable in full upon the Completion Date, shall not be subject to proration for the first year and shall be due and payable in full on January 1st of each subsequent year. The Asset Management Fee shall accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Asset Manager” shall initially mean AEGON or any substitute party named pursuant to Section 7.15.

“Assignee” means the Person to whom a Transfer of a Partnership Interest is made in accordance with Article 10 of this Agreement.

“Assignment, Pledge and Security Agreement” means the Assignment, Pledge and Security Agreement dated as of even date herewith by the General Partners and the Developer in favor of the Limited Partners.

“Authority” means the Credit Agency, any Lender, the City, the Governmental Lender, or to the extent possessing regulatory authority over the Partnership or the Project any other federal, state or local governmental authority having jurisdiction over the particular matter to which reference is being made.

“Bankruptcy” or “Bankrupt” means, with respect to any Person, such Person making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Person or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Person, or a receiver, liquidator, custodian, or trustee being appointed for such Person or a substantial part of such Person’s assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within ninety (90) days of its filing; or the entry of an order for relief against such Person under Title 11 of the United States Code. A Person shall be deemed Bankrupt if the Bankruptcy of such Person shall have occurred and be continuing.

“Bipartisan Budget Act” means The Bipartisan Budget Act of 2015 (P.L. 114-74).

“BOE” means the California State Board of Equalization and its successors.

“BOE Certification” has the meaning set forth in Section 7.18(f).

“BOE Property Tax Rules” has the meaning set forth in Section 9.38.

“BOE Supplemental Certificate” has the meaning set forth in Section 7.18(a).

“Business Day” means a day of the year on which banks are not required or authorized to close in the State.

“Capital Account” means, with respect to any Partner, the Capital Account maintained for such Partner throughout the term of the Partnership pursuant to Section 3.5.

“Capital Adjuster Distribution” means, collectively, the Recapture Adjuster Distributions, Annual Shortfall Adjuster Distributions and Future Downward Adjuster Distributions.

“Capital Contributions” means with respect to any Partner, the total of all money and the Value (at the date of contribution) of all property other than money transferred or assigned other than as a loan by a Partner to the Partnership pursuant to Article 3 or treated as contributed by a Partner to the capital of the Partnership for federal income tax purposes.

“Capital Expenditures” mean any expenses that, pursuant to the Code, cannot be immediately deducted in full and must be capitalized and amortized or depreciated over more than one year.

“Capital Replacement Reserve” shall have the meaning set forth in Section 8.7(a).

“Certificate of Occupancy” means a certificate of occupancy issued to the Partnership by the appropriate Authority permitting a Unit to be leased and occupied (it being agreed that a temporary certificate of occupancy shall be acceptable if it does not contain any conditions which prohibit or materially interfere with the intended use of the unit for residential purposes and if any conditions for obtaining a permanent certificate of occupancy are readily achievable).

“City” means the City of Oakland, California.

“Closing Date” means the execution date of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Commercial Space” means approximately 1,705 square feet of commercial space located on the ground floor and (nonexclusive use of) the basement of the Project that is leased to Commercial Tenants pursuant to the terms of certain commercial space leases. The costs of acquiring and rehabilitating the Commercial Space (excluding all structural work required for residential space) will be excluded from Eligible Basis for the purposes of calculating the Federal Housing Tax Credits.

“Commercial Tenant” means any Person who leases the Commercial Space with the consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed. As of the Closing Date, the Commercial Tenants include (i) Shafique Bihamani, and (ii) Lotus Memorial, LLC.

“Completion” means substantial completion of the Project in accordance with the Plans as modified by change orders reasonably approved by the Limited Partners in accordance with the terms of this Agreement, the First Mortgage Lender and any Authority (to the extent such consent is required), subject to only minor punch list items, and no liens (except for liens which are bonded against in a manner so as to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby), claims or encumbrances which are not Permitted Encumbrances as evidenced by (i) the Contractor filing a notice of completion, (ii) delivery of the Architect’s Certificate, (iii) the issuance of such Certificates of Occupancy and any other Governmental Permits required for the use and occupancy of each Unit in the Project, and (iv) a report by the Construction Inspector that rehabilitation of the Project has been substantially completed in accordance with the Plans, which report shall be completed within thirty (30) days of notice from the Administrative General Partner to the Investor Limited Partner that the Project has been completed in accordance with this Section.

“Completion Date” means the date on which Completion is achieved, which in all events shall be no later than April 1, 2019 (the “**Outside Completion Date**”), unless extended by Force Majeure or otherwise extended by the Investor Limited Partner at its sole discretion.

“Compliance Audit” has the meaning set forth in Section 8.3.

“Compliance Auditor” means Novogradac & Company LLP or a third party tax credits compliance specialist retained by the Limited Partner for the purposes set forth in Section 8.3.

“Compliance Period” means the “compliance period,” as defined in Section 42(i)(1) of the Code, applicable to the Project.

“Construction Budget” means the budget for the rehabilitation of the Project and the furnishing of all personalty in connection therewith, which is currently estimated to be in the amounts attached hereto as Exhibit C, and any revisions thereof approved by the Partners.

“Construction Contingency” means \$2,162,739 of the “contingency” line item in Construction Budget.

“Construction Contract” means the contract between the Partnership and the Contractor for the rehabilitation of the Project.

“Construction Inspector” means the rehabilitation inspector engaged by the Asset Manager.

“Construction Funding Agreement” means the Construction Funding Agreement dated as of June 1, 2017, by and between the First Mortgage Lender and the Partnership.

“Construction Monitoring Fee” means the monthly fee to be paid by the Partnership to AEGON commencing on the first day of the month following the Closing Date and ending with the month in which the Completion Date occurs to cover the cost of monthly rehabilitation inspection in the amount of \$260.

“Contractor” means BBI-CON, Inc., d/b/a BBI Construction.

“Cost Certification” means the written certification of the Accountants as to the actual itemized costs of rehabilitation of the Project and the Eligible Basis for the Project.

“Credit Agency” means the California Tax Credit Allocation Committee, and its successors and assigns.

“Credit Period” means the period of ten (10) taxable years beginning with the taxable year in which the Project is placed in service or, at the election of the Administrative General Partner with the consent of the Investor Limited Partner, and to the extent permitted under Section 42(f)(1) of the Code, the succeeding taxable year.

“Credits” means the Federal Housing Tax Credits.

“Debt Service Coverage Ratio” means with respect to any period in question, the ratio of the Operating Cash Flow (not taking into account withdrawals from Reserves or Operating Deficit Loans) for such period to the mandatory payments of principal and interest due on any Loans for such period. For purposes of this definition only, in calculating Partnership Expenses to determine Operating Cash Flow, Partnership Expenses (i) shall be determined on an accrual basis, and shall exclude payments of principal and interest on any Loans that are not subject to the availability of Operating Cash Flow, the Asset Management Fee, Capital Expenditures, the Partnership Management Fee and the Incentive Management Fee and (ii) shall be the greater of actual expenses or the underwritten expenses set forth in the Initial Economic Projections.

“Deferred First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b).

“Deferred Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b).

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is or is deemed to be obligated to restore to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable

provisions of the Allocation Regulations, (ii) such Partner's Share of Partnership Minimum Gain if any, and (iii) such Partner's Share of Partner Nonrecourse Debt Minimum Gain, if any.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year for federal income tax purposes, except that if the Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis. If such an asset has a zero adjusted tax basis, the Depreciation may be determined under any reasonable method selected by the Administrative General Partner.

"Developer" means Fairstead Affordable LLC, a Delaware limited liability company, an Affiliate of the Administrative General Partner.

"Development Agreement" means the Development Services Agreement between the Partnership and the Developer dated as of even date herewith.

"Development Costs" means any and all costs and expenses necessary to (i) acquire the interest in the Land, (ii) cause the rehabilitation of the Project to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, substantially in accordance with the Plans and the Construction Budget, (iii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property in accordance with the Plans and the Construction Budget, (iv) obtain all Government Permits for the use and occupancy of the Units and other space in the Project, (v) pay the Development Fee (except for any portion to be deferred as the Development Fee Note), (vi) discharge all Partnership liabilities and obligations arising out of any casualty or condemnation occurring prior to the Rent-Up Date, (vii) fund the initial Reserves, and (viii) pay any other costs or expenses necessary to achieve the Rent-Up Date.

"Development Deficiency" means, for the period beginning with the date of this Agreement and ending on the Rent-Up Date, the excess of the Development Costs over the Proceeds.

"Development Deficiency Guaranty Period" means the period commencing on the Closing Date and ending on the Rent-Up Date.

"Development Deficiency Payment" shall have the meaning set forth in Section 4.2(c).

"Development Fee" means the fee to be paid by the Partnership to the Developer pursuant to the Development Agreement, projected to be a total of \$5,907,503. The Development Fee shall not be increased by any savings due to changes in the scope of the Project or reduction in the quality of the Project. The Development Fee may be increased only in accordance with any applicable Authority requirements and the prior written approval of the Investor Limited Partner, which approval shall not be unreasonably withheld, delayed, or conditioned.

"Development Fee Note" means the note which may be given by the Partnership to the Developer representing the deferred portion of the Development Fee, if any, pursuant to the

terms of the Development Agreement, which note will not bear interest and shall be payable within fifteen (15) years after Completion out of Operating Cash Flow in accordance with Section 5.1 or from Extraordinary Cash Proceeds in accordance with Section 5.2 or from a Capital Contribution of the Administrative General Partner pursuant to Section 3.1(a). The deferred portion of the Development Fee is estimated to be \$5,907,503.

“DRO Notice” shall have the meaning set forth in Section 6.3 hereof.

“DRO Notice Partner” shall have the meaning set forth in Section 6.3 hereof.

“Eligible Basis” means an amount equal to the “eligible basis” of the Project as defined in Section 42(d) of the Code, as determined by the Accountants in connection with the Cost Certification.

“Entity” means any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

“Environmental Costs” means all liabilities, sums paid in settlement of claims, obligations, charges, actions (formal or informal), claims (including, without limitation, claims for personal injury or for real or personal property damage related to an environmental condition), liens, taxes, administrative proceedings, losses, damages (including, without limitation, punitive damages), penalties, fines, court costs, administrative service fees, response and remediation costs, stabilization costs, encapsulation costs, treatment, storage or disposal costs, groundwater monitoring or environmental study, sampling or monitoring costs, other causes of action, and any other costs and reasonable expenses (including, without limitation, reasonable attorneys’, experts’, and consultants’ fees and disbursements and investigating, laboratory and data review fees) imposed upon or incurred by any Partner (whether or not indemnified against by any other party) as a result of any Hazardous Substances Laws.

“Event of Default” shall have the meaning set forth in Section 11.2.

“Excess Federal Adjuster” shall have the meaning set forth in Section 3.2.

“Exempt Partner” Exempt Partner means a Partner of the Partnership whose ownership of an Interest in the Partnership would cause property held by the Partnership to be tax-exempt use property for purposes of Section 168(h) of the Code, but for the fact that this Agreement provides for Qualified Allocations.

“Extended Use Agreement” means the extended low-income housing commitment to be executed by the Partnership in accordance with the requirements of the Credit Agency and the provisions of Section 42(h)(6) of the Code for the Project.

“Extraordinary Cash Proceeds” means the gross cash receipts of the Partnership from any Extraordinary Transaction less Partnership Expenses related to such Extraordinary Transaction, including any mandatory payment on any Loans (other than Operating Deficit Loans) and additions to any Reserves.

“Extraordinary Transaction” means any refinancing, sale, transfer or disposition of all or substantially all of the Partnership’s Property.

“Federal Housing Tax Credits” means the federal low-income housing credits allowable under Section 42 of the Code.

“Federal Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“Federal Housing Tax Credit Amount” means the actual Federal Housing Tax Credits per annum available to the Partnership during the Credit Period.

“Federal Payment” means any Federal Payment of the Capital Contributions of the Investor Limited Partner referred to in Section 3.1(b).

“Federal Recapture Amount” means an amount equal to, on an After-Tax Basis, the sum of: (a) the amount of the Federal Housing Tax Credits recaptured as a result of a Federal Recapture Event, and (b) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such Federal Recapture Event, to be paid within thirty (30) days after the Federal Recapture Event.

“Federal Recapture Event” means an event resulting in the recapture of all or any portion of the Federal Housing Tax Credits pursuant to Section 42 of the Code.

Notwithstanding the foregoing, a Federal Recapture Event shall not include:

- (i) the inability of the Investor Limited Partner to utilize the Federal Housing Tax Credits allocated to it for any reason, including the lack of sufficient taxable income;
- (ii) a loss or reduction of the Federal Housing Tax Credits to the extent caused by (a) actions or inactions of the Investor Limited Partner, or (b) a change in the tax status of the Investor Limited Partner; or
- (iii) any reduction of Federal Housing Tax Credits for which an adjustment to the Investor Limited Partner’s Capital Contribution, a payment by the Partnership of an Excess Federal Adjuster or a distribution by the Partnership of a Capital Adjuster Distribution has been made pursuant to Section 3.2 of this Agreement.

“Fifty Percent Test” means the satisfaction by the Partnership of the test set forth in Section 42(h)(4)(B) of the Code.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction or government agency has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), or (ii) the date on which the IRS has entered into a binding agreement with the Partnership with respect to such issues or has reached a final administrative or judicial determination with respect to such issues which, whether by law or agreement, is not subject to appeal.

“First Mortgage Lender” means Citibank, N.A., as maker of the loan to the Governmental Lender, which is evidenced by the Tax-Exempt Notes and the Taxable Note.

“First Mortgage Loan” means the first mortgage rehabilitation and permanent loan in the amount of up to \$37,500,000 made or to be made to the Partnership by the Governmental Lender, which has been derived from the proceeds of the issuance of the Tax-Exempt Notes under the volume cap of Section 146 of the Code and the Taxable Note. The First Mortgage Loan will bear interest at fixed and variable rates (as described in the Fixed Rate Note and the Variable Rate Notes, respectively) with interest only payments through the maturity of the Variable Rate Notes; thereafter, the First Mortgage Loan will bear interest at a fixed rate of 4.35% per annum, will amortize over a period of thirty-five (35) years and mature on July 1, 2050, with mandatory prepayment on July 1, 2035; *provided, however*, that following Permanent Loan Conversion the amount of First Mortgage Loan shall not exceed \$27,400,000 without the consent of the Investor Limited Partner.

“First Mortgage Loan Agreement” means the Borrower Loan Agreement dated as of June 1, 2017 by and between the Governmental Lender and the Partnership.

“First Mortgage Loan Documents” means (a) the First Mortgage Loan Agreement, (b) the Fixed Rate Note, (c) the Variable Rate Notes, (d) the Regulatory Agreement, (e) UCC financing statements, (f) such assignments of management agreements, contracts and other rights as may be reasonably required, (g) the Tax-Exempt Notes, (h) the Taxable Note, (i) the Construction Funding Agreement, (j) all documents evidencing, securing, governing or otherwise pertaining to the foregoing, and (k) all amendments, modifications, renewals and substitutions of any of the foregoing.

“First Year” means the year 2018, the first year in which Credits shall be allocated to the Investor Limited Partner as projected in the Initial Economic Projections.

“First Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the First Year.

“First Year Investor Housing Tax Credit Amount(s)” means the First Year Federal Investor Housing Tax Credit Amount.

“Fiscal Year” means the calendar year, unless such other fiscal year is required pursuant to Regulations Sec. 1.706-1(b)(2), which the Partnership maintains for federal income tax and accounting purposes in accordance with Section 8.4.

“Fixed Price Cost” means \$10,916,272 as increased by change orders, provided that the Administrative General Partner has provided additional funds equal to the amount of such change orders, if the full owner contingency has been used.

“Fixed Rate Note” means the Multifamily Note (Fixed Rate) in the amount \$27,400,000 executed by the Partnership, which evidences in part its obligation to repay the First Mortgage Loan.

“Force Majeure” means any strike, lockout, war, insurrection, riot, explosion, fire, flood, earthquake or other natural disaster and other events beyond the control of the party for whom performance is required.

“Former Code” means Subchapter C of Chapter 63 of the Code as in effect immediately prior to the enactment of the Bipartisan Budget Act on November 2, 2015. Pursuant to Section 6241 of the Code (as revised by the Bipartisan Budget Act), the amendments to the Former Code apply to returns filed for partnership taxable years beginning after December 31, 2017. References to the Former Code contained herein are applicable to the extent that the Former Code provisions remain in effect for taxable years beginning before December 31, 2017.

“Future Downward Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Future Downward Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“General Partner(s)” means, individually or collectively, the Managing General Partner and the Administrative General Partner.

“Government Permits” means all material building, zoning, health, safety, business and other applicable certificates, permits and licenses necessary to permit the rehabilitation, use, occupancy and operation of the Project.

“Governmental Lender” means the California Housing Finance Authority.

“GP Disposition Fee” means the fee to be paid by the Partnership to the Administrative General Partner in connection with the sale, transfer or disposition of all or substantially all of the Partnership’s Property to a Person that is not an Affiliate of the Administrative General Partner, Developer or Guarantor, in the amount of two percent (2%) of the sales price of the Partnership’s Property.

“Gross Cash Receipts” means all cash receipts of the Partnership from whatever source derived, including but not limited to all public subsidy payments due and payable at such time under the HAP Contract, other than from (i) Capital Contributions, (ii) Loans (other than an Operating Deficit Loan), (iii) Extraordinary Transactions, (iv) any casualty insurance funds or condemnation proceeds that will be used to repair or replace the Partnership’s Property, and (v) rent prepayments, security deposits (not otherwise applied to defaulting tenant payment obligations), and interest thereon.

“Guarantors” means, collectively, Fairstead Affordable LLC, a Delaware limited liability company, and, subject to the terms of the Guaranty, Stuart Feldman, an individual resident of the State of Connecticut.

“Guaranty” means the Unconditional Guaranty of even date herewith, made by the Guarantors in favor of the Limited Partners.

“HAP Contract” means the Project-Based Section 8 Housing Assistance Payments Renewal Contract For Mark-Up-To-Market, Project number CA39-0034-002, by and among HUD, the California Affordable Housing Initiatives, Inc. and the Partnership effective as of

March 1, 2017, covering 100 units at the Project, which contract runs for a period of twenty (20) years.

“Hazardous Substances” means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutants,” “contaminants,” or “toxic substances,” under federal or state environmental and health and safety laws and regulations, including without limitation petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. Hazardous Substances do not include substances that are used or consumed in the normal course of developing, operating or occupying a housing project, to the extent and degree that such substances are stored, used and disposed of in the manner and in amounts that are consistent with normal practice and applicable Hazardous Substance Laws.

“Hazardous Substances Laws” means any applicable federal, state or local laws relating to the presence of Hazardous Substances on or about the Property.

“Housing Tax Credits” means the Federal Housing Tax Credits.

“Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount.

“Housing Tax Credit Conditions” means, for the duration of the Compliance Period, any and all restrictions including, but not limited to, applicable federal, state and local laws, rules and regulations, which must be complied with in order for the Project to qualify for (and continue to receive) the Housing Tax Credits.

“Housing Tax Credit Percentage” means the “applicable percentage” within the meaning of Section 42(b)(2) of the Code.

“HUD” means the United States Department of Housing and Urban Development.

“ILP Disposition Fee” means the fee associated with exiting the Partnership, to be paid by the Partnership to the Asset Manager in the amount of \$50,000, plus actual costs incurred with exiting the Partnership.

“Immediate Family” means with respect to any Person who is an individual, such Person’s spouse, parents, descendants, brothers and sisters.

“Improvements” means the 102-unit rental housing development, Commercial Space and related amenities to be rehabilitated on the Land.

“Incentive Management Agreement” means the Incentive Management Agreement by and between the Partnership and the Administrative General Partner as of even date herewith.

“Incentive Management Fee” means the Incentive Management Fee payable to the Administrative General Partner pursuant to the terms of the Incentive Management Agreement.

“Initial Economic Projections” means the economic projections for the Project as of the Closing Date prepared by the Investor Limited Partner, attached hereto as Exhibit B.

“Initial Rent-Up” means the Project has reached (i) ninety percent (90%) physical occupancy of all Units in the Project for the most recent three consecutive months, and (ii) one hundred percent (100%) occupancy of the Rental Units in the Project by tenants qualifying such Rental Units as Low-Income Units.

“Initial Tenant Files” shall mean all leases, forms and supporting documentation, including but not limited to the signed income certifications, third party income and asset certifications, and the initial lease of six months or longer, qualifying a Unit as a “low-income unit” within the meaning of Section 42(i)(3) of the Code.

“Interest” means any Partnership Interest or any interest in a corporation, partnership, limited liability company, or other entity that is a Partner.

“Interest Rate” means the per annum rate of interest announced by the Wall Street Journal as the “Prime Rate” plus two hundred basis points. The Interest Rate shall change on the date each change in the “Prime Rate” is announced by the Wall Street Journal. The Interest Rate shall not exceed the highest rate of interest that may be legally charged by the party collecting such interest.

“Investor Limited Partner” means Aegon LIHTC Fund 52, LLC, a Delaware limited liability company, and its successors and assigns.

“Investor Partnership or LLC” means (a) a limited partnership composed of two or more partners, with an Affiliate of AEGON as the general partner (or with an Affiliate of AEGON having direct or indirect control of such general partner), (b) a limited liability company composed of one or more members with an Affiliate of AEGON as the managing member (or with an Affiliate of AEGON having direct or indirect control of such managing member) or (c) a limited liability company composed of one or more members with an Affiliate of AEGON as the non-member manager (or an Affiliate of AEGON having direct or indirect control of such non-member manager).

“IRS” means the Internal Revenue Service.

“Land” means the approximately 0.2297 acres of land on which the Project is to be rehabilitated, all of which are located in the City and are more particularly described in Exhibit A hereto.

“Lender(s)” means any/all lenders under any Loan together with its respective successors and assigns in such capacity.

“Limited Partner Loan” has the meaning set forth in Section 3.4.

“Limited Partners” means, collectively, the Investor Limited Partner and the Special Limited Partner; each a “**Limited Partner**”.

“Liquidating Partner” means the Administrative General Partner, unless the Administrative General Partner has been removed, in which case it shall mean the Special Limited Partner..

“Loan” means any or all of the First Mortgage Loan, the Subordinate Loan, or any successor or additional loan, including Limited Partner Loans and Operating Deficit Loans.

“Loan Documents” means any notes, mortgages and any other documents evidencing or securing the Loans.

“Low-Income Unit” has the meaning set forth in Section 42(i)(3) of the Code.

“Manager’s Unit” means the two (2) dwelling units in the Project that will be occupied by and/or reserved for use by either a full-time manager or a full-time maintenance person.

“Managing General Partner” means AOF St. Marks LLC, a California limited liability company, or its successors or assigns as permitted by this Agreement.

“Minimum Debt Service Coverage Ratio” means an average Debt Service Coverage Ratio of 1.15 to 1.0 with respect to the First Mortgage Loan.

“Net Income and Net Losses” mean, for each Fiscal Year of the Partnership, an amount equal to the Partnership’s taxable income or loss for such Fiscal Year, 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:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Partnership property shall be computed by reference to the Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Value;

(d) Depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss shall be excluded;

(e) Any selling commissions, underwriting fees and other expenses of the Partnership in syndicating the Partnership Interests not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(f) Notwithstanding any other provision of this Section, any items which are specially allocated under Sections 6.2 or 6.3(c) shall not be taken into account in computing Net Income or Net Losses; and

(g) If the Value of any Partnership asset is adjusted pursuant to clause (b) of the definition of Value hereunder, the amount of such adjustment shall be taken into account as gain

or loss from the disposition of such asset for purposes of computing and allocating Net Income or Net Losses.

“Notice of Default” means a written Notice of an Event of Default by the Special Limited Partner to a General Partner pursuant to Section 11.3.

“Operating Cash Flow” means, for any fiscal period, Gross Cash Receipts plus amounts drawn from Reserves for such fiscal period, reduced by the sum of the following: (i) all Partnership Expenses and (ii) any amounts (not already included as a Partnership Expense) required to fund the Capital Replacement Reserve pursuant to Section 8.7(a). Operating Cash Flow shall be determined under cash basis accounting principles and no deductions shall be made from Operating Cash Flow for non-cash deductions such as depreciation or amortization.

“Operating Deficit” means, for any Fiscal Year, the amount (if any) by which (i) Partnership Expenses (excluding the Subordinated Partnership Expenses) for the Fiscal Year (or a portion of the Fiscal Year in the First Year) exceeds (ii) the sum of (A) the Gross Cash Receipts (excluding Operating Deficit Loans), plus (B) amounts drawn from any Reserves for such Fiscal Year or portion thereof.

“Operating Deficit Guaranty Period” means the period commencing on the Rent-Up Date and ending on the fifth anniversary of the Investor Limited Partner’s Capital Contribution pursuant to Section 3.1(b)(iv) and subject to the conditions described in Section 4.3.

“Operating Deficit Loan” means a loan by the Administrative General Partner or the Guarantors to the Partnership, payable solely from Operating Cash Flow and Extraordinary Cash Proceeds, which loans shall not bear interest.

“Operating Reserve” shall have the meaning set forth in Section 8.7(b).

“Original Agreement” has the meaning set forth in the Recitals.

“Outside Completion Date” shall have the meaning set forth in the definition of Completion Date.

“Partner(s)” means any/all of the General Partners, the Investor Limited Partner, the Special Limited Partner or any successors in interest at the time of the reference thereto.

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Sections 1.704-2(i)(2) and (3) of the Allocation Regulations.

“Partnership” means St. Marks Preservation, LP, a Delaware limited partnership, the limited partnership continued by this Agreement.

“Partnership Expenses” means all cash costs and cash expenses paid by the Partnership of every kind and nature in connection with the Partnership’s management, business affairs and operations including, without limitation, Capital Expenditures, amounts allocated to the Reserves by the General Partners, debt service on the Loans, including any Limited Partner Loans (but excluding any payments payable solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2), and payment of any fees (except any fees paid solely

out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2 or are otherwise deferred or subordinated). Partnership Expenses shall not include amounts paid from the proceeds of any Loans (other than Operating Deficit Loans) and/or from Capital Contributions, including Development Costs. Any Partnership Expenses which relate to more than one period shall be allocated pro rata to the periods to which such Partnership Expenses relate.

“Partnership Interest” means a Partner’s entire ownership interest in the Partnership as of the time of determination, including any and all rights, powers and benefits accorded such Partner under this Agreement and the duties and obligations of such Partner thereunder.

“Partnership Management Agreement” means the Partnership Management Agreement by and between the Partnership and the Managing General Partner dated as of even date herewith.

“Partnership Management Fee” means the annual fee equal to \$10,000, to be paid by the Partnership to the Managing General Partner pursuant to Section 5.1 and the terms of the Partnership Management Agreement, commencing with the First Year, increasing at a rate of three percent (3%) per annum on the first day of each subsequent year; *provided, however*, that the Partnership Management Fee shall only be paid in any year if all required annual financial reports and Partnership tax returns have been delivered to the Investor Limited Partner in accordance with Sections 8.2 and 8.3. The Partnership Management Fee shall accrue or accumulate to the extent any portion of it remains unpaid at the end of any Fiscal Year during the term of the Partnership and shall be treated as a guaranteed payment pursuant to Section 707(c) of the Code.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(d) of the Allocation Regulations.

“Partnership Representative” means the “partnership representative” under Section 6223 of Chapter 63 of the Code (as in effect pursuant to the Bipartisan Budget Act).

“Partnership Tax Return” means the United States Partnership Income Tax Return (Form 1065) for the Partnership, together with all Schedules K-1 included therein, and all state and local tax returns and other similar schedules required to be filed with respect to operations of the Partnership.

“Payment Date” means the relevant date on which all of the conditions set forth in Section 3.1 are satisfied for the applicable Federal Payment (and collectively referred to herein as the “**Payment Dates**”).

“Percentage Interest” means with respect to the Investor Limited Partner, 99.99%, with respect to the Special Limited Partner, 0.00%, with respect to the Administrative General Partner, 0.005%, and with respect to the Managing General Partner, 0.005% (collectively, the “**Percentage Interests**”).

“Permanent Loan Conversion” means the repayment of the Variable Rate Notes and the conversion of the First Mortgage Loan to its permanent phase in accordance with the terms of the

Construction Funding Agreement in an amount and at a payment rate such that the Debt Service Coverage Ratio shall in no event be less than 1.15:1.00 during the term of such Loan.

“Permitted Encumbrances” means the list of permitted exceptions, liens and encumbrances referenced on Schedule B on that certain Policy of Title Insurance issued by Fidelity National Title Insurance Company, Policy No. FAMC-TO17000709-O.

“Person” means any individual, partnership, corporation, limited liability company, trust or other entity.

“Plans” means the plans and specifications for the Project as prepared by the Architect, as subsequently approved by the Lenders and the Investor Limited Partner and all amendments thereto approved by the Lenders and the Investor Limited Partner.

“Post-TEFRA Period” means each federal income tax period of the Partnership beginning after December 31, 2017 (or such other later effective date of Section 1101 of the Bipartisan Budget Act if the implementation of such provisions is delayed by legislation or regulation), and such earlier periods, if any, with respect to which the Partnership has made an election pursuant to Section 1101(g)(4) of the Bipartisan Budget Act with the consent of the Investor Limited Partner.

“Proceeds” means (i) the proceeds of all Loans, (ii) the interest income and net rental income, if any, generated by the Project which are permitted by the Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions made or to be made by the Partners, and (iv) any insurance proceeds arising out of casualties or condemnation occurring prior to Completion.

“Project” has the meaning set forth in the Recitals.

“Project Costs” means costs included in the Construction Budget attached as Exhibit C, as amended by change orders reasonably approved by the Limited Partners to the extent required hereunder.

“Project Documents” means any and all material agreements of the Partnership relating to the financing, development, rehabilitation, use or operation of the Project, including, but not limited to, all agreements set forth in Exhibit L, and as any such documents may be amended from time to time.

“Projected Annual Investor Housing Tax Credit Amount” means the amount of Housing Tax Credits projected in the Initial Economic Projections to be allocable to the Investor Limited Partner during each Fiscal Year of the Credit Period. It is currently anticipated that the Partnership will allocate Housing Tax Credits to the Investor Limited Partner of \$1,752,923 with respect to each year from 2018 to 2027. If the amount of Housing Tax Credits allocable to the Investor Limited Partner during any Fiscal Year is determined to be greater or less than that reflected in the Initial Economic Projections, the term “**Projected Annual Investor Housing Tax Credit Amount**,” as used herein, shall mean such revised amount, provided that any adjustments, payments, or distributions required under Section 3.2 of this Agreement have in fact been made.

“Projected Federal Housing Tax Credit Amount” means the projected Federal Housing Tax Credits allocable to the Partnership per annum of \$1,753,098 during the Credit Period, for a total of \$17,530,983 of Federal Housing Tax Credits during the Credit Period.

“Projected First Year Federal Investor Housing Tax Credit Amount” means \$1,752,923 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the First Year.

“Projected Housing Tax Credit Amounts” means the Projected Federal Housing Tax Credit Amount.

“Projected Second Year Federal Investor Housing Tax Credit Amount” means \$1,752,923 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the Second Year.

“Property” means the fee interest in the Land and the Improvements and any other real or personal property acquired by the Partnership.

“Property Management Agreement” means the Management Agreement between the Partnership and the Property Manager entered into pursuant to Section 7.12 hereof, substantially in the form attached hereto as Exhibit K.

“Property Management Fee” means the annual property management fee payable to the Property Manager under the Property Management Agreement, which fee has initially been established at three percent (3%) of Gross Cash Receipts.

“Property Manager” means FPI Management, Inc., a California corporation, or any subsequent Person selected to provide management services to the Project from time to time in accordance with Section 7.12.

“Property Tax Exemption” has the meaning set forth in Section 9.38.

“Purchase Option Agreement” means the Purchase Option Agreement dated as of even date herewith among the Partnership, the General Partners and the Limited Partners for the purchase of (i) the Project by the Administrative General Partner or its Affiliate or (ii) the purchase of the Partnership Interests of the Limited Partners by the Administrative General Partner.

“Qualified Allocations” means an allocation of income, gain, loss, deduction and credit to an Exempt Partner that satisfies the requirements of Section 168(h)(6)(B) of the Code so that at no time will any portion of the property held by the Partnership be classified as tax-exempt use property for purposes of Section 168(h) of the Code. Such qualified allocation shall have substantial economic effect and shall be consistent with the Exempt Partner being allocated the same distributive share of each item of income, gain, loss, deduction, credit and basis of the Partnership and such share remaining the same during the entire period that the Exempt Partner is a Partner of the Partnership.

“Qualified Housing Tax Credit Basis” means the qualified basis of each qualified low-income building in the Property, determined in accordance with the provisions of Section 42(c) of the Code.

“Qualified Unit” means a Unit leased to a household with an income that satisfies the requirements of Section 42(g)(1) of the Code at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Recapture Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Recapture Adjustment Year” shall have the meaning set forth in Section 3.2.

“Regulations” mean the final Treasury Regulations promulgated under the Code, as amended from time to time.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 2017 by and among the Governmental Lender, Wilmington Trust, National Association, as fiscal agent, and the Partnership.

“Rental Unit” means each of the one hundred (100) dwelling units in the Project which are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code.

“Rent-Up Date” means the earliest date on which (a) there is Completion of the Project, (b) the Project has reached Initial Rent-Up, (c) the Project has achieved a Debt Service Coverage Ratio of 1.0 to 1.0 for a period of 90 days and (d) Permanent Loan Conversion has been achieved.

“Repurchase Option” means the Repurchase Option Agreement dated as of even date herewith, among the Guarantors and the Limited Partners for the purchase of the Limited Partners’ Partnership Interests, executed in accordance with Section 4.4.

“Reserves” means the amount of cash the General Partners are required to cause the Partnership to reserve by this Agreement, any Loan Agreements, and/or any Project Documents including but not limited to the Operating Reserve, the Capital Replacement Reserve and such other amounts as the General Partners from time to time determine to be reasonably necessary or advisable for the operation and/or maintenance of the Project of the Partnership.

“Second Year” means the year 2019, the second year in which Credits shall be allocated to the Investor Limited Partner.

“Second Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the Second Year.

“Second Year Investor Housing Tax Credit Amount(s)” means the Second Year Federal Housing Tax Credit Amount.

“Seller” means Victoria Investors LTD. IV, a California limited partnership.

“Share of Partner Nonrecourse Debt Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partner nonrecourse debt minimum gain,” determined in accordance with the provisions of Section 1.704-2(i)(5) of the Allocation Regulations.

“Share of Partnership Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partnership minimum gain,” determined in accordance with the provisions of Section 1.704-2(g) of the Allocation Regulations.

“Sources and Uses Statement” means a master sources and uses statement identifying all Proceeds of the Partnership for the Project as of the applicable Payment Date, including the proceeds from the Loans and any Capital Contributions to the Partnership (including the Capital Contribution being made on such Payment Date) and how such funds will be utilized by the Partnership.

“Special Allocations” means the allocations as set forth in Section 6.2.

“Special Limited Partner” means Transamerica Affordable Housing, Inc., a California corporation, and its successors and assigns.

“State” means the State of California.

“State Tax Code” means the California Revenue and Taxation Code, as amended.

“Subordinate Lender” means the Administrative General Partner.

“Subordinate Loan” means the subordinate unsecured loan in the amount of \$4,900,000 made by the Subordinate Lender to the Partnership. The Subordinate Loan has a term of thirty (30) years and bears compound interest at a rate of 5% per annum. Payments on the Subordinate Loan will be made from 75% of available Operating Cash Flow and/or Extraordinary Cash Proceeds with unpaid interest and principal payable upon the earlier of the sale of the Project or the maturity date.

“Subordinate Loan Documents” means any loan agreement, promissory note, and all other documents and instruments executed and delivered in connection with the Subordinate Loan.

“Subordinated Partnership Expenses” means the Asset Management Fee and the Property Management Fee, but only to the extent the Property Management Fee is required to be subordinated to other Partnership Expenses as provided in the Property Management Agreement or as provided in this Agreement.

“Substituted Partner” means any Person admitted as a Partner to the Partnership pursuant to Section 10.3(b).

“Tax” or “Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax imposed by the IRS or any other taxing authority.

“Taxable Note” means the Limited Obligation Multifamily Housing Revenue Construction Note (St. Marks Apartments) 2017 Issue A-3 (Taxable) in the original aggregate principal amount of \$1,500,000, the proceeds of which shall be used to fund the First Mortgage Loan.

“Tax Benefits” means the sum of (a) the Limited Partners’ share of the Projected Federal Housing Tax Credit Amount or the Federal Housing Tax Credit Amount for the entire Compliance Period, and (b) the maximum federal corporate income tax rate, assumed to be twenty-five percent (25%), times the taxable losses that are projected to be available to the Limited Partners.

“Tax Credits” means any credit(s) permitted under the Code against federal income tax liability of any Partner as a result of activities or expenditures of the Partnership, including, without limitation, the Federal Housing Tax Credits.

“Tax Credit Approvals” means, with respect to the Project, the Credit Agency’s Tax-Exempt Reservation Letter dated November 16, 2016 and the Governmental Lender’s certification dated June 13, 2017.

“Tax-Exempt Notes” means, collectively, the (i) Limited Obligation Multifamily Housing Revenue Construction/Permanent Note (St. Marks Apartments) 2017 Issue A-1 in the original aggregate principal amount of \$27,400,000, and (ii) Limited Obligation Multifamily Housing Revenue Construction Note (St. Marks Apartments) 2017 Issue A-2 in the original aggregate principal amount of \$8,600,000, each of which meet the conditions set forth in Section 42(h)(4)(B) of the Code to be issued by the Governmental Lender, the proceeds of which shall be used to fund the First Mortgage Loan.

“TMP” has the meaning set forth in Section 7.8.

“Transfer” means, as a verb, to transfer, sell, assign, exchange, pledge, give, hypothecate or otherwise convey or encumber all or any portion of an Interest and, as a noun, any transfer, sale, assignment, exchange, charge, gift, hypothecation or other conveyance or encumbrance of all or any portion of an Interest.

“Unit” means each of one hundred and two (102) rental units comprising the Project.

“Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The Value of any asset contributed by or distributed to a Partner shall be the gross fair market value of such asset, as determined at the time of contribution or distribution by agreement between the contributing or distributing Partner and the other Partners;

(b) The Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by a unanimous decision of the Partners (or by appraisal if the Partners cannot reach a unanimous decision) as of the following times: (x) the acquisition of an additional Partnership Interest by any new or existing Partner in exchange for a capital contribution not presently provided for under the Agreement; (y) the distribution by the Partnership to a Partner of Partnership Property other than money, unless all Partners receive simultaneous distributions of undivided interest in the distributed Property in proportion to their Partnership Interests; and (z) the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code or the liquidation of the Partnership within the meaning

of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that clause (x) or (y) shall not apply to a contribution or distribution of property of a de minimis gross fair market value;

(c) If the Value of a Partnership asset has been determined or adjusted pursuant to clause (a) or (b), such Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses;

(d) The term “gross fair market value” means the amount which would be paid for a particular property by a willing buyer to a willing seller (neither under any compulsion to buy or sell) unreduced by any liabilities secured by the property or assumed by any party in connection therewith;

(e) The Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 732(d), Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 6.2(b) hereof; provided, however, that Values shall not be adjusted pursuant to this clause (e) to the extent that an adjustment pursuant to clause (b) hereof is made in connection with a transaction that would otherwise result in an adjustment pursuant to clause (e).

“Variable Rate Notes” means, collectively, (i) the Multifamily Note (Variable Rate) in the amount \$8,600,000 executed by the Partnership, and (ii) the Multifamily Note (Taxable Rate) in the amount \$1,500,000 executed by the Partnership, which evidence in part its obligation to repay the First Mortgage Loan.

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjective forms “Withdrawing” and “Withdrawn”) means as to a General Partner, the occurrence of the Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including without limitation, any Transfer of its Interest and those situations when such General Partner may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

“Withdrawing Limited Partner” means St. Marks Investor, LLC, a Delaware limited liability company.

ARTICLE 2 ORGANIZATION

2.1 Continuation.

Upon execution of this Agreement, each of the Investor Limited Partner and the Special Limited Partner is admitted to the Partnership and the Withdrawing Limited Partner withdraws from the Partnership and acknowledges that its limited partner interests have been redeemed in an amount equal to its capital contributions to the Partnership, its percentage interest in the Partnership has been reduced to zero and has no further interest in or claims against the Partnership. The General Partners and the Limited Partners do hereby amend and restate the

Original Agreement in its entirety and continue the Partnership as a limited partnership pursuant to the Act for the purposes and upon the terms and conditions set forth in the Agreement.

2.2 Name.

The name of the Partnership shall be “St. Marks Preservation, LP”. All business of the Partnership shall be conducted under such name.

2.3 Principal Place of Business.

The principal place of business and office of the Partnership shall be 152 W. 57th Street, 36th Floor, New York, NY 10019. The Administrative General Partner may change the principal place of business of the Partnership to any other place upon filing an amendment to the Certificate and giving thirty (30) days’ written notice to the Limited Partners.

2.4 Purposes.

The purpose of the Partnership shall be to acquire the Land and rehabilitate the Improvements, and maintain, own, operate, lease and otherwise deal with the Project as a rental housing project and the Commercial Space in accordance with the Project Documents and the provisions of this Agreement. The Partnership shall not engage in any other business or activity without the prior written approval of all the Partners.

2.5 Term.

The term of the Partnership shall continue until the Partnership is terminated pursuant to Article 12. This Agreement shall be effective as of the date first above written.

2.6 Partners.

Unless and until Substituted Partners are admitted pursuant to the terms of Article 10 and upon the withdrawal of the Withdrawing Limited Partner, the General Partners shall be the sole general partners of the Partnership and the Limited Partners shall be the sole limited partners of the Partnership (within the meaning of the Act). Except as otherwise expressly provided herein, no Partner may be removed as a Partner of the Partnership without such Partner’s prior written approval.

2.7 Filings

(a) Certificate of Limited Partnership; Amendments. The General Partners shall (i) timely cause amendments to the Certificate of Limited Partnership to be filed whenever required by the Act, and (ii) timely cause amendments to the qualification to conduct business in the State of California to be filed when required. The General Partners shall timely take any and all other actions as may be necessary or appropriate (i) to comply with all laws that apply to the Partnership or the conduct of its business; (ii) to perfect and maintain the status of the Partnership as a limited partnership under the Act and the laws of the State of Delaware and the State and any other states or jurisdictions in which the Partnership engages in business; and (iii) to protect the limited liability of each of the Limited Partners.

(b) Agent for Service of Process. The agent for service of process of the Partnership shall be Stellar Corporate Services LLC, 3500 S. Dupont Hwy, Dover, DE 19901 or any successor individual or entity named by the Partnership.

(c) Fictitious Business Name Statement. The General Partners shall cause appropriate fictitious business name and like statements to be filed and published for the Partnership if and as required by law.

(d) Taxpayer Identification Number. The federal taxpayer identification number for the Partnership is 81-3141519.

2.8 Outside Activities of Partners.

Except as otherwise provided herein, each of the Partners and any Affiliate may engage or possess interests in other business ventures of every kind and description for its own account, including, without limitation, the ownership or management of other real estate projects, developments or undertakings. Neither the Partnership nor the other Partners shall have any rights by virtue of this Agreement in such independent business ventures or to income or profits derived therefrom.

ARTICLE 3 CAPITALIZATION OF PARTNERSHIP; PARTNERSHIP INTERESTS

3.1 Capital Contributions.

(a) General Partners. On or before the Closing Date, each General Partner will make a Capital Contribution to the Partnership in the amount of \$100, and each General Partner's Capital Account balance as of the Closing Date shall be \$100. The Administrative General Partner shall also be required to make additional Capital Contributions, as needed, in accordance with Section 3.2(c) of this Agreement. If the Development Fee Note is not paid in full on or before December 31st of the fifteenth (15th) year following the year in which Completion occurs, the Administrative General Partner shall make a Capital Contribution of funds to the Partnership in an amount sufficient to pay the Development Fee Note in full.

(b) Investor Limited Partner. Subject to the adjustments of Section 3.2 and the satisfaction of the conditions precedent in this Section 3.1(b) and in Section 3.1(c), as applicable, the Investor Limited Partner shall make a total Capital Contribution to the Partnership in the amount of \$16,543,187 as follows:

(i) First Federal Payment. \$642,422 (the "**First Federal Payment**"), a portion of which in the amount of \$65,709 shall be applied on behalf of the Investor Limited Partner to payment of its legal fees and expenses in connection with the closing of the investment contemplated hereunder, shall be made upon satisfaction of the conditions set forth in this Section 3.1(b)(i) for the payment of the First Federal Payment (the "**First Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) The Closing Date has occurred and the Limited Partners have been admitted to the Partnership.

(B) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(C) The General Partners have provided the Investor Limited Partner, with all due diligence items required by the Investor Limited Partner, including, but not limited to, the following:

1. Evidence of the closing of the First Mortgage Loan and the Subordinate Loan.

2. Tax Credit Approvals by each of the Credit Agency and the Governmental Lender to the Partnership.

3. Evidence that the Partnership has acquired title to the Property.

4. A copy of the amortization schedule for the First Mortgage Loan, substantially in the form of Exhibit E.

5. An opinion of the Managing General Partner's counsel as to the availability of the Property Tax Exemption.

6. The executed HAP Contract.

(ii) Second Federal Payment. \$2,965,946 (the "**Second Federal Payment**") shall be made upon the later to occur of (1) July 1, 2018, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(ii) for the payment of the Second Federal Payment (the "**Second Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Rehabilitation of the Project is seventy-five (75%) percent complete, meaning:

(i) the Architect and the Construction Inspector have delivered the Architect's Certificate, substantially in the form of Exhibit G-1 and dated within ten (10) days of the Second Payment Date (a copy of which shall be delivered to the Limited Partners no later than seven (7) Business Days prior to this Payment Date);

(ii) a title endorsement to the owner's title policy dated within five (5) Business Days of this Payment Date demonstrating that the Property is free of any mechanics' or materialmen's liens (except for liens which are bonded against or insured over in a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby); and

(iii) invoices documenting all soft costs to be paid for work to date have been received by the Limited Partners. Any representation of the Administrative General Partner under this Agreement that the work is seventy-five (75%) percent complete shall be subject to confirmation by the Limited Partners or their representatives pursuant to a physical inspection of the Property. Such physical inspection shall be conducted within ten (10) Business Days after notice from the Administrative General Partner to the Limited Partners stating that the work is seventy-five (75%) percent complete. If the inspection is not carried out within such time period (as the same may be extended by written agreement of the parties), the Limited Partners will be deemed to have waived their right of inspection. Any objections raised as a result of such physical inspection shall be noted in a document delivered to the General Partners within ten (10) Business Days following the completion of the physical inspection, and, provided that the conditions in (i), (ii) and (iii) above have all in fact been satisfied, the failure by the Limited Partners to notify the General Partners within the ten (10) Business Day period of any such objections shall be deemed to constitute an acknowledgement that the work is seventy-five (75%) percent complete. If any objections are noted, the Partnership shall have the right to correct or cure the same within a commercially reasonable period, which shall in no event exceed ninety (90) days.

(B) Delivery of a marketing plan approved by HUD.

(C) All conditions and provisions of Section 3.1(c) shall have been satisfied.

The General Partners hereby authorize and direct the Investor Limited Partner to satisfy all or part of its obligations to make the Second Federal Payment to the Partnership pursuant to the provisions of this Section 3.1(b)(ii) by advancing all such funds as and when due pursuant to the terms of this Agreement directly to the First Mortgage Lender or otherwise in accordance with the instructions of the First Mortgage Lender in satisfaction of the Partnership's obligation under the First Mortgage Loan Documents. Any amounts so paid shall be deemed for all purposes to have been advanced first by the Investor Limited Partner to the Partnership and then by the Partnership to the First Mortgage Lender.

(iii) Third Federal Payment. \$1,977,297 (the "**Third Federal Payment**") shall be made upon the later to occur of (1) October 1, 2018, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(iii) for the payment of the Third Federal Payment (the "**Third Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Completion has occurred by the Outside Completion Date.

(B) Delivery of Certificates of Occupancy (or their equivalent) from applicable authorities for 100% of the Units.

(C) Delivery to the Limited Partners of the Architect's Certificate dated within ten (10) days of this Payment Date, substantially in the form of Exhibit G, that the Project is substantially complete with only minor outstanding punch list items.

(D) Delivery to the Limited Partners of a certificate of the General Partners dated as of this Payment Date, substantially in the form of Attachment A to Exhibit F.

(E) Delivery of copies of any additional Governmental Permits required to be issued for Completion of the Project, and the readiness thereof for occupancy.

(F) Delivery of a pay-off letter from the Contractor dated within ten (10) days of this Payment Date, executed by an authorized officer of the Contractor, which states with respect to the Project (1) that all amounts payable to the Contractor for work done through Completion of the Project have been paid in full, excluding punch list items, retainage and amounts which are to be paid from this Federal Payment; (2) the amount to be paid to the Contractor from this Federal Payment; (3) the total unpaid amount due to the Contractor, including all amounts relating to punch list items and retainage; (4) that payment of this Federal Payment satisfies all of the Partnership's obligations to the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project, other than such amounts relating to punch-list items and retainage, and upon payment of such Federal Payment, all liens or rights of lien which either the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project for all work done through Completion of the Project will be fully paid and discharged; and (5) that the Partnership is not in violation of any provision of the Construction Contract.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of this Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner), and any additional endorsements required by Investor Limited Partner to the owner's title policy that were not available on the owner's title policy as of the Closing Date but are available upon rehabilitation completion (i.e. access, utilities facilities, etc.).

(H) Delivery of (i) a current as-built ALTA Survey (or equivalent) of the Project acceptable to (1) the Limited Partners and (2) the title insurance company issuing the Partnership's owner's policy, or (ii) a certification from the General Partners to the Limited Partners that the as-built ALTA Survey approved by the Limited Partners as of the Closing Date has not changed since the Closing Date.

(I) Deliver of documentation of Environmental Protection Agency lead-based paint (LBP) tenant notification in form and substance satisfactory to the Limited Partners.

(J) All conditions and provisions of Section 3.1(c) shall have been satisfied.

The General Partners hereby authorize and direct the Investor Limited Partner to satisfy all or part of its obligations to make the Third Federal Payment to the Partnership pursuant to the provisions of this Section 3.1(b)(iii) by advancing all such funds as and when due pursuant to the terms of this Agreement directly to the First Mortgage Lender or otherwise in accordance with the instructions of the First Mortgage Lender in satisfaction of the Partnership's obligation under the First Mortgage Loan Documents. Any amounts so paid shall be deemed for all purposes to have been advanced first by the Investor Limited Partner to the Partnership and then by the Partnership to the First Mortgage Lender.

(iv) Fourth Federal Payment. \$9,591,322 (the "**Fourth Federal Payment**") shall be made upon the later to occur of (1) April 1, 2019, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(iv) for the payment of the Fourth Federal Payment (the "**Fourth Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Initial Rent-Up has been achieved, including, without limitation, delivery of a current rent roll and the most recent financial statements for the Partnership;

(B) Permanent Loan Conversion has, or shall concurrent with the funding of the Fourth Federal Payment, occurred (the Asset Manager shall be provided at least ten (10) Business Days to review and approve (such approval not to be unreasonably withheld, conditioned or delayed) the permanent loan documents, if any, before they are executed by the Partnership);

(C) The Project has achieved a Debt Service Coverage Ratio of 1.15 to 1.0 for the most recent three (3) consecutive months. For the purposes of calculating the Debt Service Coverage Ratio pursuant to this Section 3.1(b)(iv)(C), actual subsidy income received by the Partnership through such date pursuant to the HAP Contract shall be taken into account.

(D) The Asset Manager has received an electronic copy of all Initial Tenant Files (which have incorporated all modifications requested by the Compliance Auditor) and a rent roll listing all tenants relied upon to fulfill the Initial Rent-Up requirement; and

(E) The Asset Manager has received a copy of the Compliance Audit.

(F) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of the Fourth Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening

claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner).

(G) Delivery of a copy of the Cost Certification for the Project, as accepted by the Limited Partners and submitted to the Credit Agency.

(H) Delivery of a copy of the Accountants' Fifty Percent Test Certification to the extent not included in the Cost Certification.

(I) The Accountants have delivered to the General Partners and the Limited Partners the Accountants' Certificate substantially in the form of Exhibit H, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Fourth Federal Payment in accordance with Section 3.2.

(J) All conditions and provisions of Section 3.1(c) shall have been satisfied.

The General Partners hereby authorize and direct the Investor Limited Partner to satisfy all or part of its obligations to make the Fourth Federal Payment to the Partnership pursuant to the provisions of this Section 3.1(b)(iv) by advancing all such funds as and when due pursuant to the terms of this Agreement directly to the First Mortgage Lender or otherwise in accordance with the instructions of the First Mortgage Lender in satisfaction of the Partnership's obligation under the First Mortgage Loan Documents. Any amounts so paid shall be deemed for all purposes to have been advanced first by the Investor Limited Partner to the Partnership and then by the Partnership to the First Mortgage Lender.

(v) Fifth Federal Payment. \$823,874 (the "**Fifth Federal Payment**") shall be made upon the later to occur of (1) May 1, 2019, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(v) for the payment of the Fifth Federal Payment (the "**Fifth Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Delivery of a copy of the Form 8609 issued with respect to each building in the Project.

(B) The Partnership has filed a federal income tax return for all prior years and delivered a copy of such returns and the Forms K-1 to the Limited Partners.

(C) The Accountants have delivered to the General Partners and the Limited Partners the Accountants' Certificate substantially in the form of Exhibit H, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Fifth Federal Payment in accordance with Section 3.2.

(D) The Extended Use Agreement has been recorded in the land records where the Project is located and all Lenders have subordinated their

mortgages of record to the Extended Use Agreement to the extent required by Section 42(h)(6) of the Code.

(E) The General Partners have given the Limited Partners at least twenty (20) days prior written notice of the Partnership's proposed date for payment.

(F) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(G) Except for Operating Deficit Loans or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections, or other than previously approved by the Investor Limited Partner.

(H) There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections unless such material modification to the terms of any loan is consented to by the Investor Limited Partner.

(I) Delivery of (i) the most recent audited financial statements of Fairstead Affordable LLC, obtained at the expense of Fairstead Affordable LLC, for such fiscal year prepared by an outside accountant evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, (ii) the tax return for Fairstead Affordable LLC for such fiscal year, (iii) a certificate of Fairstead Affordable LLC certifying that the Guarantors are in compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, and (iv) the most recent unaudited, self-certified financial statements of Stuart Feldman for such fiscal year, obtained at the expense of Stuart Feldman, evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty.

(J) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(vi) Final Federal Payment. \$542,326 (the "**Final Federal Payment**") shall be made upon the later to occur of (1) April 1, 2020, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(vi) for the payment of the Final Federal Payment (the "**Final Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Full funding of all Reserves have been completed or will be completed concurrently with the Final Federal Payment, pursuant to the terms of Section 8.7.

(B) The General Partners have given the Limited Partners at least twenty (20) days prior written notice of the Partnership's proposed date for payment.

(C) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(D) The Accountants have delivered to the General Partners and the Limited Partners the Accountants' Certificate substantially in the form of Exhibit H, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Final Federal Payment in accordance with Section 3.2.

(E) Except for Operating Deficit Loans or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections, or other than previously approved by the Investor Limited Partner.

(F) There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections, unless consented to by the Investor Limited Partner.

(G) Delivery of (i) the most recent audited financial statements of Fairstead Affordable LLC, obtained at the expense of Fairstead Affordable LLC, for such fiscal year prepared by an outside accountant evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, (ii) the tax return for Fairstead Affordable LLC for such fiscal year, (iii) a certificate of Fairstead Affordable LLC certifying that the Guarantors are in compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, and (iv) the most recent unaudited, self-certified financial statements of Stuart Feldman for such fiscal year, obtained at the expense of Stuart Feldman, evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty.

(H) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(c) Additional Conditions Precedent to Capital Contributions. The obligation of the Investor Limited Partner to make each Federal Payment (except as otherwise provided) is subject to each of the following conditions, each of which shall be satisfactory to the Investor Limited Partner:

(i) Prior Installment Conditions. All conditions for all previous installments of Capital Contributions shall have been satisfied and all of such prior installments shall have become due.

(ii) No Event of Default. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by a General Partner as of the applicable Payment Date.

(iii) Partnership Accounts. All accounts, including all Reserves, of the Partnership required to be maintained under the terms of the Project Documents are currently funded to levels required by this Agreement and any Lender or Authority.

(iv) Reporting Requirements. All reporting obligations of the General Partners to the Limited Partners under Section 8.3(c) of this Agreement have been satisfied, to the extent then applicable.

(v) Representations and Warranties. The General Partners represent and warrant to the Partnership and the Limited Partners that as of each Payment Date:

1. All of the conditions precedent set forth in Section 3.1(b) with respect to the relevant Federal Payment are satisfied;

2. No Event of Default has occurred (including any default under any Project Document);

3. All of the representations and warranties of the General Partners made as of the Closing Date and each prior Payment Date, as applicable, are true and correct in all material respects as of the relevant Payment Date;

4. The Partnership has not been notified by a federal, state or municipal agency that it is in material violation of any Hazardous Substances Laws and that such material violation is continuing. As used in this section, “material violation” means any violation of a Hazardous Substances Law (A) which jeopardized or could jeopardize the ability of the Partnership to develop, own, or operate the Project as housing eligible for the Housing Tax Credits, and (B) the correction of which will require the Partnership to spend funds beyond those likely to be available to the Partnership for such purposes in the ordinary course of events; and

5. There has been no material change in the financial condition of the Administrative General Partner.

(vi) Deliverables. Each and every one of the following documents, all in form and substance reasonably satisfactory to the Limited Partners, shall be executed by all necessary parties, be in final form and delivered to the Limited Partners no later than seven (7) Business Days prior to each Payment Date:

1. A certificate of the General Partners dated as of the relevant Payment Date, substantially in the form of Exhibit F, certifying that all of the representations and warranties of the General Partners in Section 3.1(c) are true and correct in all material respects as of the applicable Payment Date.

2. For each Federal Payment other than the First Federal Payment, an estoppel certificate from each Lender dated within thirty (30) days of the relevant Payment Date, in form and substance reasonably satisfactory to the Limited Partners, stating that, to the best of its knowledge, there are no defaults or

events which, with notice or the passage of time or both, would constitute a default under such Loan.

3. For each Federal Payment other than the First Federal Payment, an estoppel certificate from the Property Manager dated within thirty (30) days of the relevant Payment Date, in form and substance satisfactory to the Limited Partners, stating that the Property Management Agreement is in full force and effect and that, to the best of its knowledge, no material breach or default has occurred hereunder.

4. Copies of any notices or other written communications received from the Credit Agency with respect to Federal Housing Tax Credits generated by the Project and/or compliance by the Partnership and/or the Partners with respect to federal and/or State Federal Housing Tax Credit statutes and regulations applicable to the Project.

5. A Sources and Uses Statement.

3.2 Adjustment of Capital Contributions; Recapture.

If the actual Federal Housing Tax Credit Amounts, the First Year Investor Housing Tax Credit Amounts and/or the Second Year Investor Housing Tax Credit Amount varies from that set forth in the Initial Economic Projections, then adjustments will be made to the Investor Limited Partner's Capital Contributions as of the Fourth Payment Date, the Fifth Payment Date and/or the Final Payment Date in accordance with this Section 3.2.

(a) [Intentionally Omitted].

(b) Accountants' Certificate. For purposes of preparing the Accountants' Certificate as of the Fourth Payment Date, the Fifth Payment Date, and the Final Payment Date the Accountants shall:

(i) Determine whether the Federal Housing Tax Credit Amount, as calculated below, is less than or greater than the Projected Federal Housing Tax Credit Amount. As of the Fifth Payment Date, the Accountants shall determine the Eligible Basis from the Cost Certification and the IRS Form 8609s for the Project. Upon a determination that the Federal Housing Tax Credit Amount differs from the Projected Federal Housing Tax Credit Amount, the Accountants shall calculate the decrease or the increase ("**Federal Housing Tax Credit Adjustment Amount**"). The Federal Housing Tax Credit Adjustment Amount shall equal an amount such that the Investor Limited Partner's total Capital Contribution shall equal the product of (V) the Qualified Housing Tax Credit Basis times (W) the Housing Tax Credit Percentage times (X) 10 times (Y) \$0.94 times (Z) 99.99%, provided that under no circumstances shall the product of (V) and (W) exceed the Federal Housing Tax Credit Amount allocated or allowable pursuant to Section 42 of the Code to the Partnership (subject to any further adjustment pursuant to this Section 3.2), and provided further that in no event shall the Investor Limited Partner's Capital Contribution be increased by an amount in excess of \$1,654,318 (which amount equals ten percent (10%) of the aggregate amount of the Investor Limited

Partner's Capital Contribution set forth in Section 3.1(b)) (the "**Maximum Upward Adjuster Amount**").

(ii) Determine whether the First Year Federal Investor Housing Tax Credit Amount is less than or more than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such decrease or increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the first taxable year following the expiration of the Credit Period (the "**Deferred First Year Federal Housing Tax Credits**") then the Accountants shall determine the loss in present value of the Deferred First Year Federal Housing Tax Credits, which shall equal \$0.48 per dollar of Deferred First Year Federal Housing Tax Credit. If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be increased \$0.48 for each \$1.00 that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, provided that in no event shall the Investor Limited Partner's Capital Contribution be increased, together with any other increase pursuant to the provisions of this Section 3.2(b), by an amount in excess of the Maximum Upward Adjustment Amount.

(iii) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is less than or more than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent such decrease or increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the second taxable year following the expiration of the Credit Period (the "**Deferred Second Year Federal Housing Tax Credits**") then the Accountants shall determine the loss in present value of the Deferred Second Year Federal Housing Tax Credits, which shall equal \$0.48 per dollar of Deferred Second Year Federal Housing Tax Credit. If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be increased \$0.48 for each \$1.00 that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, provided that in no event shall the Investor Limited Partner's Capital Contribution be increased, together with any other increase pursuant to the provisions of this Section 3.2(b), by an amount in excess of the Maximum Upward Adjustment Amount.

(c) Adjustment(s) to Limited Partner Capital Contribution(s).

(i) Adjustment to Investor Limited Partner's Capital Contribution. Upon the Partners receiving the Accountants' Certificate showing any Federal Housing Tax Credit Adjustment Amount, Deferred First Year Federal Housing Tax Credits, Deferred Second Year Federal Housing Tax Credits, the total amount of the Investor Limited Partner's Capital Contribution shall be adjusted (A) upward or downward by the Federal Housing

Tax Credit Adjustment Amount, (B) upward or downward by the increase or loss in present value of the Deferred First Year Federal Housing Tax Credits, and/or (C) upward or downward by the increase or loss in present value of the Deferred Second Year Federal Housing Tax Credits. If on the Fourth Payment Date, the Fifth Payment Date or the Fifth Payment Date the total of the adjustments contemplated by clauses (A), (B) and (C) of the preceding sentence is downward and exceeds the aggregate amount of the Fourth Federal Payment, Fifth Federal Payment and the Final Federal Payment (the “**Excess Federal Adjuster**”), then the Excess Federal Adjuster shall be repaid by the Partnership to the Investor Limited Partner as a return of capital, provided that if the Partnership does not have sufficient funds, the Administrative General Partner shall promptly contribute sufficient funds to the Partnership to allow the Partnership to repay the Excess Federal Adjuster.

If there is an Excess Federal Adjuster due pursuant to Section 3.2 of this Agreement as of the Fourth Payment Date, the Fifth Payment Date or the Final Payment Date, and such Excess Federal Adjuster is due in whole or in part to a change in the Federal Housing Tax Credit Amount expected to be allocable to the Investor Limited Partner, a schedule of the adjusted Federal Housing Tax Credits shall be prepared for the remaining period during which Federal Housing Tax Credits are expected to be allocable to the Investor Limited Partner and shall serve as the baseline for calculating future adjustments in Federal Housing Tax Credits for purposes of this Partnership Agreement.

(d) Payment of Federal Recapture Amount. If, as a result of a Federal Recapture Event, the Investor Limited Partner is required to recapture all or any portion of the Federal Housing Tax Credits previously allocated to it by the Partnership, the Investor Limited Partner’s remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Federal Recapture Amount. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Federal Recapture Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds (“**Recapture Adjuster Distribution**”) arising in the Fiscal Year in which such adjustment is determined (“**Recapture Adjustment Year**”) prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Federal Recapture Amount as described above during the Recapture Adjustment Year, the Administrative General Partner shall promptly contribute funds to the Partnership equal to the unpaid balance of the Federal Recapture Amount and make an immediate Recapture Adjuster Distribution.

(e) Payment of Annual Housing Tax Credit Shortfall Amount. If there is an Annual Housing Tax Credit Shortfall, the Investor Limited Partner’s remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Annual Housing Tax Credit Shortfall Amount as calculated by the Accountants within ten (10) days following the Accountants’ Determination or Final Determination that an Annual Housing Tax Credit Shortfall exists. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments, or (ii) the adjustment required to pay the Annual Housing Tax Credit Shortfall Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited

Partner from Operating Cash Flow or Extraordinary Cash Proceeds (“**Annual Shortfall Adjuster Distribution**”) arising in the Fiscal Year in which such adjustment is determined (“**Annual Shortfall Adjustment Year**”) prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Annual Housing Tax Credit Shortfall Amount in the Annual Shortfall Adjustment Year, the Administrative General Partner shall promptly contribute funds to the Partnership equal to the unpaid balance of the Annual Housing Tax Credit Adjustment Amount and make an Annual Shortfall Adjuster Distribution. Notwithstanding anything to the contrary in this Section 3.2(e), neither a reduction to the Investor Limited Partner’s remaining Capital Contribution payments nor an Annual Shortfall Adjuster Distribution shall be required with respect to any Fiscal Year in the Credit Period to the extent such reduction in the Investor Limited Partner’s remaining Capital Contribution payments or Annual Shortfall Adjuster Distribution would be duplicative of any adjustments or payments made pursuant to Sections 3.2(c) and (d) hereof.

(f) Payment of Future Downward Housing Tax Credit Adjustment Amount. If at any time after the Final Payment Date there is an Accountants’ Determination or a Final Determination that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount (an “**Aggregate Housing Tax Credit Shortfall**”, which, shall take into account the years remaining in the Credit Period after the expiration of the current Fiscal Year) due to a shortfall or reduction in the Eligible Basis, the Partnership shall distribute to the Investor Limited Partner an amount (the “**Future Downward Housing Tax Credit Adjustment Amount**”) equal to the product of (1) the Aggregate Housing Tax Credit Shortfall times (2) \$0.94, times (3) 99.99% (the “**Future Downward Adjuster Distribution**”). Any such Future Downward Adjuster Distribution shall be made from Operating Cash Flow or Extraordinary Cash Proceeds arising in the Fiscal Year in which such adjustment is determined prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds in the applicable Fiscal Year to fully pay the Future Downward Housing Tax Credit Adjustment Amount, the Administrative General Partner shall promptly contribute to the Partnership sufficient funds to allow the Partnership to make a Future Downward Adjuster equal to the unpaid balance of the Future Downward Housing Tax Credit Adjustment Amount. Amounts returned to the Investor Limited Partner pursuant to this Section 3.2(f) shall be in addition to, and shall not be offset or otherwise reduced by, any amount paid pursuant to Section 3.2(e).

(g) Limitation on the Obligation to Pay Future Downward Housing Tax Credit Adjustment Amount. Notwithstanding anything to the contrary contained herein, in the event that there is an Aggregate Housing Tax Credit Shortfall for any reason other than a shortfall or reduction in the Eligible Basis (i.e. 15 of the Units in the Project are supposed to be Rental Units, but the Partnership rents 2 vacant units that previously were occupied by Qualified Tenants to market-rate tenants in violation of the next available unit rule, resulting in a reduction in the Qualified Housing Tax Credit Basis but not a shortfall or reduction in the Eligible Basis), the Administrative General Partner shall not be required to contribute funds to the Partnership to make a Future Downward Adjuster Distribution, and the sole compensation due to the Investor Limited Partner with respect to such Aggregate Housing Tax Credit Shortfall shall be the Annual Housing Tax Credit Shortfall Amount payable on an annual basis in accordance with Section 3.2(e).

3.3 Liability of Limited Partners; No Other Contributions.

Each of the Limited Partners shall be liable only to make payments of its Capital Contributions as and when due under this Agreement. The Limited Partners shall not be liable for any debts, liabilities, contracts or obligations of the Partnership. Except as provided in Sections 3.2, Article 4 and the Guaranties contemplated thereunder and Section 12.3, no Partner shall be required to make Capital Contributions in excess of the amounts established pursuant to Section 3.1, as adjusted by Section 3.2, without the prior written consent of such Partner. Except as provided in Section 3.4, no Partner shall have the right to make voluntary Capital Contributions to the capital of the Partnership.

3.4 Limited Partner Loans.

Any Limited Partner may, in its sole discretion, make loans to the Partnership (a “**Limited Partner Loan**”) in the event that the Partnership is unable to make any required payments under applicable Loan Documents or pay other material expenses; provided that the Limited Partners may make such loans by making the payments directly on behalf of the Partnership. A Limited Partner Loan shall be payable out of Operating Cash Flow in accordance with Section 5.1 and shall bear interest at the rate per annum equal to the lesser of (a) the Interest Rate plus three percent (3%) or (b) the maximum rate permitted by law. If required by any Loan Documents, the General Partners shall provide notice to the applicable Lender upon the making of any Limited Partner Loan.

3.5 Capital Accounts.

(a) A separate Capital Account shall be maintained in respect of each Partner in accordance with the applicable requirements of Section 704(b) of the Code and the applicable provisions of the Regulations relating to the allocation of tax attributes to the Partners. Each Partner’s Capital Account shall be credited with (i) the amount of such Partner’s Capital Contributions as and when made by such Partner, (ii) such Partner’s distributive share of any Net Income of the Partnership allocated to such Partner under Section 6.1, (iii) any imputed interest specially allocated to such Partner under Section 6.3, (iv) any amounts in the nature of income or gain specially allocated to such Partner under Section 6.2, and (v) the amount of any Partnership liability assumed by, or secured by property distributed to, such Partner. Each Partner’s Capital Account shall be debited with (x) the amount of any money and the Value (determined as of the date of distribution) of any property other than money distributed by the Partnership to such Partner, (y) such Partner’s share of any Net Losses and Depreciation of the Partnership allocated to such Partner under Section 6.1 or any amounts in the nature of losses or expenses specially allocated to such Partner under Section 6.2, and (z) the amount of any liabilities of such Partner assumed by, or secured by property contributed by such Partner to, the Partnership (determined in accordance with Code Section 752(a) and any other applicable provisions of the Code and Regulations).

(b) In the event any Partnership Interest is transferred in accordance with the terms of this Agreement, the Assignee or Substituted Partner shall succeed to the Capital Account of the transferor Partner to the extent it relates to the transferred Partnership Interest with adjustments to the Capital Account for a partial Fiscal Year to be determined on a daily basis, using any

method permissible under Code Section 706 and the Regulations thereunder selected by the General Partners.

(c) In the event that the Values of the assets of the Partnership are adjusted, the Capital Accounts of the Partners shall be adjusted for the hypothetical “book” gain or loss that would have been realized by the Partners if the Partnership had sold all the assets of the Partnership for their Values in a cash sale, with the net amount of any gain or loss being treated as actually recognized for purposes of Article 6 and shall be adjusted in accordance with Regulations § 1.704-1(b)(2)(iv)(g) for allocations of gain, loss or depreciation as computed for book purposes.

(d) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

3.6 No Interest on Capital; Capital Withdrawals and Returns

No interest shall be paid to any Partner on all or a portion of a Capital Contribution or on a balance in its Capital Account. No Partner shall have the right to withdraw or reduce its Capital Contributions to the capital of the Partnership except in accordance with this Agreement.

3.7 Withholding of Capital Contribution Upon Default

In the event that: (i) a General Partner has not substantially complied with any material provisions (and such noncompliance has not been corrected within the applicable notice and cure period) of this Agreement; (ii) any financing commitment of the Lender(s), or any agreement entered into by the Partnership for financing related to the Project, has terminated; or (iii) foreclosure proceedings have been commenced against the Project, then the Partnership and such General Partner shall be in default of this Agreement, and the Investor Limited Partner, at its sole election, may withhold payment of any installment of Capital Contributions otherwise payable to the Partnership; provided however, if a payment of all or any portion of the then due installment of Capital Contribution will cure the event justifying the withholding, then the Investor Limited Partner shall pay such installment otherwise payable if it is applied to cure such event. At the sole election of the Investor Limited Partner, it may directly apply all or any part of any unpaid installment of Capital Contribution to cure the event justifying the withholding. Unless applied as set forth above, all amounts so withheld by the Investor Limited Partner under this Section shall be promptly released to the Partnership only after the General Partner or the Partnership has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to Investor Limited Partner.

ARTICLE 4 FINANCING AND GUARANTIES

4.1 Financing.

(a) The General Partners shall cause the Partnership to obtain the financing for the Project as set forth in the Financing Summary attached hereto as Exhibit I in accordance with this Section 4.1, subject to the prior approval of the Limited Partners to any changes in the loan terms set forth in the Financing Summary and to any amendments to the Loan Documents.

(b) On or before the Closing Date, the Partnership shall enter into each of the Loans.

(c) After Completion of the Project, the General Partners shall cause the Partnership to take all action necessary to achieve Permanent Loan Conversion. In the event there are insufficient Proceeds to achieve Permanent Loan Conversion, the Administrative General Partner shall advance to the Partnership all funds necessary to achieve Permanent Loan Conversion. Any such advances shall be made in fulfillment of the Administrative General Partner's obligations to the Partnership hereunder, and shall be deemed a capital contribution of the Administrative General Partner; provided, however such treatment as a capital contribution does not adversely impact the Investor Limited Partner.

4.2 Completion and Development Deficiency Guaranty.

(a) The Administrative General Partner hereby unconditionally and irrevocably guarantees to the Partnership and the Limited Partners that if for any reason or under any contingency, the Contractor shall (i) be in default under the Construction Contract after expiration of any notice and cure periods; (ii) abandon rehabilitation of the Project for a period of thirty (30) consecutive days before Completion; (iii) fail to complete rehabilitation of the Project in accordance with the Plans, the rehabilitation schedule approved by the Investor Limited Partner and the requirements of all loan commitments for all Loans; (iv) fail to pay all costs of rehabilitation so that the Project will be constructed and Completed free and clear of mechanic's and materialmen's liens (except for liens which are bonded against or insured over in a manner to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby); or (v) fail to achieve Completion of the Project on or before the Outside Completion Date for an amount which is less than or equal to the Fixed Price Cost plus any Reserves required to be funded on or before such date to be used for rehabilitation, then, in any such event, the Administrative General Partner will, within fifteen (15) Business Days after notice from the Partnership or the Limited Partners, assume all responsibility for Completion of the Project in accordance with the Construction Contract and the requirements of all Lenders in accordance with the Plans and, at the Administrative General Partner's own cost and expense, cause the Project to reach Completion no later than sixty (60) days after the Outside Completion Date. The Administrative General Partner shall pay all bills, expenses, charges, costs and fees relating in any manner to or otherwise in connection with such rehabilitation (provided, the Administrative General Partner may be reimbursed for such costs, fees and expenses funded by the Administrative General Partner pursuant to this Section less all other amounts expended by the Partnership in connection with the rehabilitation of the Project).

(b) If the Administrative General Partner does not assume responsibility for Completion of rehabilitation and commence to diligently prosecute rehabilitation within fifteen (15) Business Days after written notice, the Administrative General Partner shall be in default under this Agreement and the Limited Partners shall have the rights given to them in Section 11.3 hereof. In the event the Limited Partners exercise any rights under Section 11.3, the Partnership, at the request of the Special Limited Partner may, at its option but without obligation to do so, take over rehabilitation of the Project and take such actions as the Partnership shall deem necessary or desirable to reach Completion of the Project. All expenditures made by the Partnership shall be immediately due and payable from the Administrative General Partner to the Partnership and shall bear interest from the date of expenditure, at the Interest Rate. No such action by the Partnership shall release or limit the

liability of the Administrative General Partner hereunder or affect the rights and obligations of the parties under the Construction Contract.

(c) The Administrative General Partner hereby covenants, agrees and promises to pay to the Partnership on the terms set forth below, the funds required to pay any Development Deficiency incurred by the Partnership during the Development Deficiency Guaranty Period (each, a “**Development Deficiency Payment**”). Such Development Deficiency Payments shall be made by payment to the Partnership of the amounts requested, within ten (10) Business Days of the Administrative General Partner’s receipt of a written request from the Partnership. If the Administrative General Partner shall fail to pay any Development Deficiency Payment as requested, the Development Deficiency Payment will bear interest at the Interest Rate from the date the Development Deficiency Payment is requested until it is paid in full. All such interest shall be due and payable by the Administrative General Partner to the Partnership within ten (10) Business Days after notice is provided to the Administrative General Partner. All Development Deficiency Payments shall be made in fulfillment of the Administrative General Partner’s obligations to the Partnership hereunder, and the Administrative General Partner shall have no right of repayment from the Partnership (except as provided in Section 4.2(a), above) or any Partner. In no event shall any Development Deficiency Payment by the Administrative General Partner affect in any way whatsoever (i) the Percentage Interests of the Partners set forth herein, (ii) the distributions provided for in Article 5 hereof, (iii) the Capital Account of any Partner, or (iv) the allocations provided for in Article 6 hereof. Notwithstanding the foregoing, if the Administrative General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Development Deficiency Payments as a Capital Contribution of the Administrative General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Development Deficiency Payment will be treated as a Capital Contribution of the Administrative General Partner.

(d) The Administrative General Partner hereby agrees that its obligations under this Section 4.2 shall constitute a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Administrative General Partner. The undertakings of the Administrative General Partner set forth in this Article 4 are made for the benefit of the 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.

(e) The General Partners shall deliver to the Special Limited Partner on reasonable request evidence sufficient to apprise the Special Limited Partner of the status of rehabilitation of the Project and enable the Special Limited Partner to determine whether rehabilitation is likely to be completed by the Outside Completion Date. In the event that the Special Limited Partner shall give notice to the General Partners that the Special Limited Partner has reasonably determined that Completion is unlikely to occur on the Outside Completion Date, then on the forty-fifth (45th) day following the date on which such notice is given, the General Partners shall be in default hereunder unless, within said 45 day period, the General Partners shall have taken all steps necessary to assure, to the Special Limited Partner’s reasonable satisfaction, that Completion will in fact occur by the Outside Completion Date.

4.3 Operating Deficit Guaranty.

(a) In the event that an Operating Deficit arises prior to the Rent-Up Date, the Administrative General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership to fund Operating Deficits. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall not be subject to any limitations and/or caps as outlined in Section 4.3(b) below, and shall bear no interest and shall be repayable only out of (a) available Operating Cash Flow, or (b) Extraordinary Cash Proceeds.

(b) In the event that an Operating Deficit arises after the Rent-Up Date, the Administrative General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership, on the terms set forth below, to fund Operating Deficits as they arise, after utilization of the Operating Reserve if, and only to the extent, such utilization is permitted pursuant to Section 8.7 hereof. Such Operating Deficit Loans shall be made by payment to the Partnership of the amounts requested, on a quarterly basis (or more often as is necessary to meet immediate operating deficit needs), within ten (10) Business Days of the Administrative General Partner's receipt of a written request from the Partnership or a Limited Partner. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall bear no interest and shall be repayable only from Operating Cash Flow or Extraordinary Cash Proceeds as provided in Article 5 of this Agreement. Notwithstanding anything to the contrary contained herein (except to the extent necessary to pay amounts owed because of a failure to attain, a termination of or a reduction in the Property Tax Exemption), the Administrative General Partner shall not be obligated to make any additional Operating Deficit Loans when the total of all outstanding unpaid Operating Deficit Loans is \$1,083,538 or following the expiration of the Operating Deficit Guaranty Period, provided that at any such time each of the following requirements shall have also been satisfied as of such date: (i) the Project has achieved the Minimum Debt Service Coverage Ratio for a period of not less than twelve consecutive months; (ii) the Operating Reserve is fully funded to the amount set forth in Section 8.7(b) and there have been no withdrawals from the Operating Reserve during the prior twelve-month period; (iii) all current and accrued amounts of the Asset Management Fee have been paid in full; (iv) no Event of Default has occurred and is continuing beyond any applicable notice and cure period; (v) no Federal Recapture Event has occurred prior to the applicable reduction date; and (vi) all reports required under Section 8.3 have been furnished to the Investor Limited Partner prior to the applicable reduction date. Operating Deficit Loans may be funded and subsequently repaid in whole or in part by the Partnership, and the Administrative General Partner's obligations to make additional Operating Deficit Loans shall continue during the Operating Deficit Guaranty Period. This is a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Administrative General Partner. The Partners acknowledge that no such amounts loaned by the Administrative General Partner pursuant to this Section 4.3 shall be treated as contributions to the Partnership by the Administrative General Partner, that no amounts paid to the Administrative General Partner with respect to any Operating Deficit Loan shall be treated as a distribution to a partner, and the provision of such amounts shall not affect the Percentage Interests or the allocations provided for in Article 6 whatsoever.

4.4 Repurchase Option.

Concurrent with the Closing Date, the Guarantors and the Limited Partners shall enter into the Repurchase Option pursuant to which the Limited Partners shall have the option to require the Guarantors to purchase the Limited Partner's Partnership Interests under certain circumstances specified therein.

4.5 Collateral.

The General Partners and the Developer shall enter into the Assignment, Pledge and Security Agreement to secure the obligations of the Guarantors under the Guaranty.

4.6 Purchase Option Agreement.

Concurrent with the Closing Date, the General Partners, the Limited Partners, and the Partnership shall enter into the Purchase Option Agreement regarding certain rights of the Administrative General Partner to purchase the Project and/or the Limited Partners' Interests in the Partnership.

ARTICLE 5 DISTRIBUTIONS

5.1 Operations.

Except as otherwise provided in Article 12 and subject to any limitations imposed under any Loan Document or by any Authority and Sections 5.3 and 5.4 hereof, the Partnership's Operating Cash Flow shall be disbursed in the following order of priority:

- (i) First to payment of any unpaid Excess Federal Adjuster and/or any Capital Adjuster Distribution due to the Investor Limited Partner;
- (ii) Second, to payment of the current and accrued annual Asset Management Fee;
- (iii) Third, to the payment of the Partnership Management Fee;
- (iv) Fourth, to pay amounts due with respect to the Development Fee Note until such Development Fee Note is paid in full;
- (v) Fifth, 75% to the payment of accrued interest and principal on the Subordinate Loan;
- (vi) Sixth, in the event the Operating Reserve is below the minimum amount set forth in Section 8.7(b), to the replenishment of the Operating Reserve to the minimum amount;
- (vii) Seventh, to repayment of any Operating Deficit Loans;
- (viii) Eighth, 90% of the then remaining Operating Cash Flow to payment of the Incentive Management Fee, and then as a distribution;

(ix) Ninth, 10% to the Investor Limited Partner, 0.005% to the Managing General Partner and 89.995% to the Administrative General Partner.

Notwithstanding the foregoing, however, amounts to be paid or distributed to the Administrative General Partner or Affiliates of the Administrative General Partner pursuant to clauses (viii) and (ix) shall be reduced in reverse order to the extent necessary to ensure that the distribution to the Investor Limited Partner pursuant to clause (ix) is not less than 10% of Operating Cash Flow remaining after distribution pursuant to clause (vii).

Additionally, and notwithstanding anything to the contrary contained herein, in no event, shall the amount of all fees paid to the General Partners or any Affiliate thereof exceed, in the aggregate, twelve percent (12%) of Gross Cash Receipts in any Fiscal Year.

5.2 Extraordinary Transactions.

Except as provided in Article 12 and subject to any limitation imposed under any Loan (except for Operating Deficit Loans) or by any Authority, Extraordinary Cash Proceeds shall be applied as follows:

(i) First, to the repayment of any unpaid Limited Partner Loans, Excess Federal Adjuster and/or any Capital Adjuster Distribution due to the Investor Limited Partner;

(ii) Second, to payment of the current and any accrued and unpaid annual Asset Management Fee;

(iii) Third, to payment of the Development Fee Note until such Development Fee Note has been paid in full;

(iv) Fourth, to the payment of accrued interest and principal on the Subordinate Loan;

(v) Fifth, to the extent the Investor Limited Partner has not filed a DRO Notice with respect to a negative balance in its Capital Account, to the Investor Limited Partner an amount equal to, on an After-Tax Basis, the Taxes (if any) owed by it as a result of the Extraordinary Transaction pursuant to clauses (i) and (ii) of Section 6.1(c);

(vi) Sixth, to repayment of any Operating Deficit Loans;

(vii) Seventh, to payment of accrued and unpaid Partnership Management Fees;

(viii) Eighth, to pay the ILP Disposition Fee;

(ix) Ninth, to pay the GP Disposition Fee; and

(x) Ninth, 10% to the Investor Limited Partner, 0.005% to the Managing General Partner and 89.995% to the Administrative General Partner.

5.3 Tax Credit Guaranty.

In the event that any amount is owed by the Administrative General Partner to the Partnership pursuant to Section 3.2 to fund the payment by the Partnership of an Excess Federal Adjuster and/or a Capital Adjuster Distribution to the Investor Limited Partner, then any amounts payable to the Administrative General Partner, Developer or their respective Affiliates pursuant to this Agreement shall be paid directly to the Investor Limited Partner by the Partnership as a return of capital (and shall be treated as a capital contribution by the Administrative General Partner to the Partnership).

5.4 Payment of Limited Partners' Taxes.

Notwithstanding anything to the contrary contained in Sections 5.1 and/or 5.2 above, in any Fiscal Year in which the Partnership generates Net Income and the Investor Limited Partner has not filed a DRO Notice with respect to a negative balance in its Capital Account, Operating Cash Flow in an amount equal to the Taxes payable by the Limited Partners on their shares of such Net Income (and, if applicable, on the distribution pursuant to this Section 5.4) shall first be distributed to the Limited Partners before any other distributions or payments are made from Operating Cash Flow in such Fiscal Year. If there is insufficient Operating Cash Flow in any Fiscal Year to pay the amount specified in this Section 5.4, the General Partner shall advance the amount of the deficiency to the Partnership as an Operating Deficit Loan..

5.5 Timing and Calculation.

The Administrative General Partner shall cause the Partnership to make distributions of Operating Cash Flow in accordance with Section 5.1 within thirty (30) days of receipt of the audited financial statements described in Section 8.3(c), but in no event shall distributions of Operating Cash Flow be made later than one hundred eighty (180) days after the end of the Fiscal Year. The Administrative General Partner shall cause the Partnership to make distributions of Extraordinary Cash Proceeds in accordance with Section 5.2 within sixty (60) days after the occurrence of the Extraordinary Transaction.

5.6 Liquidation.

Distributions shall be in cash except that upon liquidation of the Partnership pursuant to Article 12, the Liquidating Partner may, in its discretion if it deems it appropriate, cause the Partnership to distribute assets other than cash on the basis of the fair market value of such distributed assets on the date of distribution.

ARTICLE 6 ALLOCATIONS

6.1 General Allocations.

After giving effect to the Special Allocations, Net Income, Net Losses and Credits in respect of each Fiscal Year of the Partnership (and, in each case, each item of income, gain, loss, deduction and tax preference, required to be taken into account separately under Section 702(a) of the Code by the Partners, which are included in the computation of such Net Income or Net Losses for such Fiscal Year) shall be allocated to the Partners on the last day of such Fiscal Year

as follows, provided that notwithstanding any other provision of this Agreement, each and every allocation made to an Exempt Partner shall be a Qualified Allocation:

(a) Net Income shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Losses have been allocated to the Partners pursuant to Section 6.1(b) for any prior period, Net Income shall be allocated to offset any Net Losses allocated pursuant to Section 6.1(b)(ii) in proportion to their respective shares of Net Losses being offset; and

(ii) Second, any remaining Net Income shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) Net Losses shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Income has been allocated pursuant to Section 6.1(a)(ii) for any prior period, Net Losses shall be allocated to offset any Net Income allocated pursuant to Section 6.1(a)(ii) in proportion to their respective shares of Net Income being offset; and

(ii) Second, any remaining Net Losses shall be allocated 99.99% to the Investor Limited Partner, 0.005% to the Managing General Partner, and 0.005% to the Administrative General Partner.

(c) Notwithstanding the foregoing, Net Income from an Extraordinary Transaction shall be allocated as follows and in the following order of priority:

(i) First, in the event that any Partner has a negative Capital Account as of close of business on the day of the Extraordinary Transaction, after giving effect to all contributions, distributions and allocations as of such date, Net Income from such Extraordinary Transaction shall be allocated to the Partners with negative Capital Accounts at such time in proportion to the amounts by which they were negative until such Partners' Capital Account balances are increased to zero; and

(ii) Second, to the Investor Limited Partner until its Capital Account is, on an After-Tax Basis, equal to the Taxes owed by the Investor Limited Partner with respect to its share of Net Income allocated pursuant to clauses (i) and (ii) of this Section 6.1(c).

(iii) Third, any remaining Net Income from such Extraordinary Transaction shall be allocated to the Partners in amounts necessary to increase their respective Capital Account balances to the amounts distributable to them under Section 5.2.

(d) Notwithstanding Section 6.1(a), (b) and (c), Depreciation shall be allocated 99.99% to the Investor Limited Partner, 0.005% to the Managing General Partner, and 0.005% to the Administrative General Partner. Federal Housing Tax Credits shall be allocated to the Partners in the same manner as Depreciation. Any recapture of Federal Housing Tax Credits shall be allocated among the Partners in the same manner as the Federal Housing Tax Credits were originally allocated.

6.2 Special Allocations.

It is the intention of the Partners that the allocation of tax attributes arising from the Partnership comply with the applicable provisions of Regulations Section 1.704-1(b) and 1.704-2. To conform further the allocation provisions of this Agreement to the Regulations, the Partners agree that the following Special Allocations shall apply; provided however, that in respect of any particular allocations the following rules shall supersede the rules otherwise applicable under this Article 6 only to the extent necessary to cause such allocation to be respected under the Regulations and the remaining portion of such allocation shall not be affected. In the event of any inconsistency between the Regulations and the provisions of the following Sections (a) through (h) of this Section 6.2, the Regulations shall govern.

(a) Loss Limitation Rule. If any allocation of Net Losses for any Fiscal Year otherwise provided in this Article 6 would (if made) cause or increase a deficit balance in the Capital Account of a Partner (determined for this purpose by taking into account such Partner's share of Operating Cash Flow in respect of such Fiscal Year and all other adjustments for such Fiscal Year otherwise required under this Agreement) that exceeds the amount such Partner is obligated to restore to the Partnership pursuant to Regulations Sections 1.704-1(b)(2)(ii)(c) or 1.704-1(b)(2)(ii)(d) or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) less the amount of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6), the amount of Net Losses otherwise allocable to such Partner shall be reduced by the minimum amount necessary to eliminate such deficit. Any amount of an allocation denied to a Partner under the first sentence of this Section 6.2(a) shall be reallocated to the Partners whose allocations of Net Losses for such year (determined under this Section 6.2) are not affected by this Section, such reallocation to be made pro rata in accordance with the ratio that each Partner's interest in profits and losses bears to the aggregate of the interests of all such Partners.

(b) Minimum Gain Chargeback. If during any Fiscal year there is a net decrease in the partnership minimum gain (as determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1)), then items of income and gain of the Partnership shall be allocated to each Partner, for such Fiscal Year (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to each Partner's share of the net decrease in partnership minimum gain during such Fiscal Year in accordance with Regulations Section 1.704-2(g)(2). This Section (b) is intended to comply with the minimum gain chargeback requirement in such Regulations Sections and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If a Limited Partner unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) (modified, as appropriate, by Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5)) which causes or increases a negative balance in such Partner's Capital Account (determined for this purpose with the adjustments required under Section 6.2(a)), such Partner will, to the extent required by Regulations Section 1.704-1(b)(2)(ii)(d), be specially allocated an amount of gross income and/or gain (consisting of a pro rata portion of each item of Partnership income and gain for such Fiscal Year) sufficient to eliminate such negative balance as quickly as possible; provided, however, that an allocation pursuant to this Section 6.2(c) shall be made if and only to the extent that such Partner would have a deficit in its Capital Account (determined as aforesaid)

after all other allocations provided for in Article 6 have been tentatively made as if this Section 6.2(c) were not in this Agreement.

(d) Nonrecourse Deductions. The “nonrecourse deductions” for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(b)(1)) shall be specially allocated to the Partners in proportion to their Percentage Interests and otherwise as provided in Regulations Section 1.704-2(e).

(e) Partner Nonrecourse Deductions. The “partner nonrecourse deductions” for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(i)(2) and 1.704-2(b)(4)) shall be specially allocated to the Partner that bears the economic risk of loss for such deductions within the meaning of Regulations Sections 1.704-2(i)(1) and 1.752-2 and otherwise as provided in Regulations Section 1.704-2(i).

(f) Partner Minimum Gain Chargeback. If during any Fiscal Year of the Partnership there is a net decrease in minimum gain attributable to Partner nonrecourse debt, within the meaning of Regulations Section 1.704-2(b)(4) and 1.704-2(i)(3), each Partner with a share of such Partner minimum gain shall be allocated items of partnership income and gain for such Fiscal Year (and if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner’s share of the net decrease in the minimum gain attributable to partner nonrecourse debt determined in a manner consistent with the provisions of Regulations Section 1.704-2(i)(4). This Section 6.2(f) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of such Regulations Sections and shall be interpreted consistently therewith.

(g) Excess Nonrecourse Liabilities. Solely for purposes of determining a Partner’s proportionate share of the “excess nonrecourse liabilities” of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), each Partner’s interest in Partnership profits shall be such Partner’s Percentage Interest.

(h) Section 732(d), 734(b) and 743(b) Adjustments. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 732(d), 734(b) or 743(b) is required under Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in adjusting Capital Accounts, the amount of such adjustment to the Capital Accounts shall 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 shall be allocated to the Partners in a manner that achieves the adjustments to their respective Capital Accounts that are required to be made pursuant to such Section of the Regulations.

(i) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Partner must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 6.2(i) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 6

have been tentatively made as if this Section 6.2(i) and Section 6.2(c) hereof were not in this Agreement.

(j) Change in Regulations. If any of the specific Regulations upon which the special allocations provided for in this Section 6.2 are based are hereafter changed or if new Regulations in the opinion of the reputable tax counsel retained by the Partnership make it necessary to revise the foregoing special allocation rules or provide further special allocation rules in order to avoid a significant risk that a material portion of any allocation of Net Income, Net Losses, Credits or other tax attributes otherwise provided for in Section 6.1 above would be altered as a result of a challenge thereto by the Internal Revenue Service, the Partners agree to make such reasonable amendments to this Agreement as, in the opinion of such counsel, are necessary or desirable, taking into account the interests of the Partners as a whole and all other relevant factors, to avoid or reduce significantly such risk to the extent possible without materially affecting the amounts distributable to any Partner pursuant to this Agreement.

(k) Curative Allocations. The allocations set forth in Sections (a) through (i) of Section 6.2 (the “**Special Allocations**”) are intended to comply with the requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Special Allocations shall be offset with other Special Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 6.2(k). Therefore, notwithstanding any other provision of Article 6 (other than the Special Allocations), the Administrative General Partner shall make such offsetting allocations of Partnership income, gain, loss or deduction in whatever manner it reasonably determines is appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible, equal to the Capital Account balance which such Partner would have had if the Special Allocations were not part of this Agreement and all Partnership items were allocated pursuant to Article 6. In exercising its discretion under this Section 6.2(k), the Administrative General Partner shall take into account future Special Allocations under Sections (b) and (f) that, although not yet made, are likely to offset other Special Allocations previously made under Sections 6.1(d) and (e). Notwithstanding the foregoing provisions of this Section 6.2(k), the Administrative General Partner shall not, without the unanimous consent of all of the Partners, make any allocation under this Section 6.2(k) unless the Administrative General Partner obtains advice of counsel that such allocation is unlikely to cause any allocation made or to be made under this Agreement to fail to be respected under Code Section 704 or the Regulations thereunder.

6.3 Special Rules.

The allocations set forth in this Agreement shall be subject to the following special rules:

(a) Tax Allocations.

(i) For each Fiscal Year, the Partnership’s items of income, loss, deduction, gain and other items governed by Section 702(a) of the Code and comparable provisions of state and local law shall be allocated among the Partners proportionately to the allocation of the Net Income and Net Losses to such Partners for such year; provided, however, that Credits shall be allocated among the Partners as provided in Section 6.1(d), and any income or loss attributable to an Operating Deficit Loan, which shall not include

any Depreciation, shall be allocated solely to the Administrative General Partner; and provided that appropriate adjustments shall be made in the event that an election under Section 754 of the Code is in effect; and provided further that any gain recognized from any disposition of an asset which is treated as ordinary income because it is attributable to the recapture of any depreciation or amortization shall be allocated among the Partners in the same ratio as the prior allocations of income or loss which included such depreciation or amortization (but, in each case, only to the extent such gain is otherwise allocable to a Partner).

(ii) Any taxable income of the Partnership resulting from debt forgiveness, debt exchange, debt modification, state credits, donations, contributions, grants or subsidies shall be allocated entirely to the Administrative General Partner. 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 Partnership, it is the intent of the Partners that all such gross income shall be allocated to the Administrative General Partner.

(iii) If the amount of Depreciation (as determined for federal income tax purposes) for any taxable year of the Partnership exceeds any increase in Partnership Minimum Gain in such taxable year, the losses allocable to the Investor Limited Partner for such taxable year pursuant to Section 6.1 and any other applicable provisions of this Article 6 shall first consist of Depreciation and then other losses or deductions that may properly be allocated to the Investor Limited Partner after the application of the provisions of Section 6.2(a) and any other applicable provisions of this Article 6.

(b) Changes in Interests. If the Percentage Interest of a Partner is adjusted during the period in question, the Partnership's books shall be closed as of the date immediately preceding the date of such adjustment. For the period ended on such date, the Net Income and Net Losses shall be allocated based on the Percentage Interest in effect prior to the date of such adjustment; provided, however, that any adjustments to the Value of a Partnership asset treated as gain or loss shall be allocated only to those persons who were Partners immediately before the event giving rise to such adjustment. For the balance of such Fiscal Year the Net Income and Net Losses shall be allocated based on the Percentage Interest as so adjusted. For purposes of the foregoing, the expenses of the Partnership shall be allocated between the two periods based upon the date when accrued; provided that amortization, depreciation and other items attributable to specific items of property shall be deemed to accrue ratably over the period of time during which the Partnership holds the property to which such items relate.

(c) Imputed Interest. To the extent the Partnership has imputed interest income pursuant to any provision of the Code with respect to the obligation of a Partner to contribute capital:

(i) Such interest income shall be specially allocated to the Partner owing such obligation; and

(ii) The amount of such interest income shall be excluded from the capital contribution credited to such Partner's Capital Account in connection with payments of principal.

(d) Section 704(c). In accordance with Section 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Value. In the event the Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Accountants in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations pursuant to this Section 6.3(d) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses or other items or distributions pursuant to any provision of this Agreement.

(e) Fees. In the event that the deduction of all or a portion of any fee paid or incurred by the Partnership to a Partner or an Affiliate of a Partner is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Partnership, the Partnership shall then allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

(f) Minimum Allocation to General Partners. Notwithstanding anything to the contrary in this Article 6, subject to the Special Allocations, the Administrative General Partner shall at all times have a minimum 0.005% allocation of each material item of Partnership income, gain, loss, deduction and credit and the Managing General Partner shall at all times receive a 0.005% allocation of each material item of Partnership income, gain, loss, deduction and credit.

(g) Qualified Allocations. The Managing General Partner is an Exempt Partner and all allocations to such Partner pursuant to the terms of this Agreement shall be Qualified Allocations. Qualified Allocations means an allocation of income, gain, loss, deduction and credit to an Exempt Partner that satisfies the requirements of Section 168(h)(6)(B) of the Code so that at no time will any portion of the property held by the Partnership be classified as tax-exempt use property for purposes of Section 168(h) of the Code. Such qualified allocation shall have substantial economic effect and shall be consistent with the Exempt Partner being allocated the same distributive share of each item of income, gain, loss, deduction, credit and basis of the Partnership and such share remaining the same during the entire period that the Exempt Partner is a Partner of the Partnership.

(h) [Intentionally Omitted].

(i) Optional DRO. Except as hereinafter specifically provided, a Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to any deficit in its Capital Account, and such deficit shall not be considered to be a debt owed to the

Partnership or to any other Person for any purpose whatsoever. Notwithstanding the foregoing, any Partner may elect, by written notice to the Partnership (a “**DRO Notice**”), on or before the earlier of (i) the due date for the filing of the Partnership’s tax return for any Fiscal Year or (ii) the last date on which such notice will create a valid Deficit Restoration Obligation for such Fiscal Year, to obligate itself to restore a negative balance in its Capital Account up to the amount specified in such DRO Notice. A Partner who delivers a DRO Notice is referred to herein a “**DRO Notice Partner**.” If, following the “liquidation” of the interest of a DRO Notice Partner in the Partnership (as defined in Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations) or the dissolution of the Partnership and the distribution or liquidation of its assets in accordance with the provisions of Section 12.3, such DRO Notice Partner has a negative balance in its Capital Account after adjusting such Capital Account to reflect the allocations and distributions required under Sections 5.1, 5.2 and 6.1 above (including, without limitation, the allocation to such DRO Notice Partner of his or its Share of Partnership Minimum Gain and/or Share of Partner Nonrecourse Debt Minimum Gain), the amount of such negative balance (which in the case of a DRO Notice Partner shall not exceed the maximum amount specified in the DRO Notice) shall be contributed by such DRO Notice Partner to the Partnership on the first to occur of (i) the date which is ten (10) days after the delivery to such DRO Notice Partner of a certificate of the Accountants, prepared in good faith and at the expense of the Partnership, setting forth the calculation of the negative Capital Account balance of the DRO Notice Partner, or (ii) the later of (A) the last day of the taxable year of the Partnership in which such liquidation occurs, or (B) ninety (90) days after the date of the liquidation. Any such amount shall be distributed to those Partners having positive Capital Account balances in proportion to, and to the extent necessary to eliminate such positive balances, or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations.

ARTICLE 7 MANAGEMENT

7.1 Management Vested in General Partners

Subject to the limitations expressly provided herein, the General Partners shall have full, exclusive and complete charge of the management and control of the affairs of the Partnership and shall have all of the rights, powers and authority consistent with accomplishing the Partnership’s purposes. Except as expressly set forth in this Section 7.1 and Section 7.18, no General Partner shall assign, delegate or permit the assignment of its management rights, whether voluntary or involuntary, without the prior written consent of the Limited Partners, provided, however, that the Limited Partners hereby consent to the terms of the Property Management Agreement. Without limiting the generality of the foregoing, but subject to the limitations specified in this Agreement, the General Partners shall have the power and duty to do all of the following on behalf of, and at the expense of, the Partnership:

(a) To acquire (by lease, purchase, or otherwise) the Land and the Improvements, to purchase, lease or otherwise acquire any other real or personal property necessary for the Project and to sell, convey, mortgage, assign and grant options with respect to such real or personal property;

(b) To construct the Project substantially in accordance with the Plans, the Construction Budget and the Construction Contract approved by the Lenders and to the extent

necessary the applicable Authorities and to make changes to such Plans as the General Partners deems necessary and advisable, provided such changes do not conflict in any material respect with (i) the Project Documents and any provisions in this Agreement, (ii) all applicable statutes, rules and regulations with respect thereto, and (iii) the Housing Tax Credit Conditions;

(c) To execute, deliver and, where appropriate acknowledge, on the Partnership's behalf, all of the Project Documents;

(d) To delegate duties to and employ from time to time, at the Partnership's expense, any Persons necessary or advisable for the management and operation of the Partnership's business;

(e) To cause the Partnership to pay all Partnership Expenses and to fund the Reserves;

(f) To lease the Commercial Space and the Units in the Project and otherwise operate the Project to cause the Partnership to satisfy all requirements so that the Project initially qualifies and continues to comply with the Housing Tax Credit Conditions, and other restrictions set forth in the Project Documents such that it qualifies for, obtains and maintains the Housing Tax Credits in full throughout the Compliance Period;

(g) To satisfy all requirements necessary for occupancy of the Project, including the approval of any Authority required to permit occupancy of the Commercial Space (to the extent necessary) and all the Units in the Project;

(h) To comply in all material respects with all provisions of the Project Documents;

(i) To exercise reasonable good faith in all activities relating to the conduct of business of the Partnership;

(j) To use reasonable best efforts to ensure that all assets and property (of any kind) owned by the Partnership will be free and clear of all security interests and encumbrances except for the Loans;

(k) To provide the Partnership with such information and sign such documents as are necessary for the Partnership and the Limited Partners to make timely, accurate and complete submissions of federal and state income tax returns;

(l) To execute on behalf of the Partnership all documents necessary to elect, pursuant to Section 732, 743 and 754 of the Code, to adjust the basis of the Partnership's Property within ten (10) Business Days after written notice from any Limited Partner to the Partnership;

(m) To cause the Land, the Project, and/or any other Partnership Property to be maintained and operated in accordance with all Hazardous Substances Laws and not allow the use of any Hazardous Substances on the Land, the Project, or any other Partnership Property except in strict compliance with Hazardous Substances Laws;

(n) To cause the Partnership to satisfy the Housing Tax Credit Conditions;

(o) To cause the Partnership to receive and maintain the Property Tax Exemption;

(p) To take any other reasonable action, including, without limitation, the negotiation, execution and delivery of any and all contracts, leases, assignments and other instruments, incidental to any of the foregoing actions set forth in this Agreement or to the purposes of the Partnership; and

(q) To cause the Partnership to maintain and satisfy all conditions attributable to the HAP Contract.

7.2 Limitations on Authority of General Partners

Notwithstanding any other provision of this Agreement, the General Partners shall not have any authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and any Authority or any Lender. The General Partners shall not enter into, nor approve, any transaction on behalf of the Partnership which is not consistent with the purposes of the Partnership or any of the following actions without the prior written consent of the Limited Partners:

(a) Do any act in contravention of this Agreement;

(b) Do any act in contravention of the Project Documents;

(c) Possess Partnership Property or assign rights in Partnership Property, in either case, other than for the Partnership's purposes;

(d) File for Bankruptcy on behalf of the Partnership;

(e) Confess a judgment against the Partnership in excess of \$25,000;

(f) Act in any manner which the General Partners knows or should have known after due inquiry will (i) cause the termination of the Partnership for federal income tax purposes, or (ii) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;

(g) Except with respect to Unit and Commercial Space leases, sell, convey, lease or otherwise encumber all or any portion of the Project or other Property;

(h) Modify, prepay or refinance any of the Loans, provided that with respect to any proposed refinancing of the First Mortgage Loan following the expiration of the Compliance Period, the Investor Limited Partner's consent shall not be unreasonably withheld;

(i) Except in accordance with Section 10.2(c), Withdraw, admit or substitute a General Partner to the Partnership;

(j) Make a loan of Partnership funds to any Person, including the General Partners or any Affiliate;

- (k) Borrow funds or incur any indebtedness in the name of the Partnership (except for the Loans on the terms contemplated herein and in the Loan Documents and except for trade payables in the normal course of business)
- (l) Accept or receive any grant funds or any subsidies in the name of the Partnership;
- (m) Dissolve the Partnership;
- (n) Amend the Agreement;
- (o) Make income tax elections;
- (p) Except as specifically provided in the Project Documents (as in effect on the date hereof), become personally liable on, or to guarantee, the Loans or otherwise to assume the economic risk of loss for payment of the indebtedness secured thereby;
- (q) Pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as provided in this Agreement or the Project Documents;
- (r) Terminate the services of the Accountants, the Architect, the Developer, or the Contractor;
- (s) Engage substitute Accountants, Architect, Developer, Contractor or Property Manager or approve the delegation of all or a substantial portion of their respective duties to a third party;
- (t) Materially amend or terminate any Project Document, or grant any waiver or consent with respect to any material matter thereunder;
- (u) Following Completion, to construct any new or replacement capital improvements on the Project, (i) which would substantially alter the use or character of the Project, (ii) which would affect the availability of the Tax Benefits to the Investor Limited Partner or violate the Housing Tax Credit Conditions, or (iii) which would cost in excess of \$50,000, other than as contemplated in the current Annual Operating Budget;
- (v) Cause the Partnership to redeem or repurchase all or any portion of the Partnership Interest of a Partner;
- (w) Accept additional Capital Contributions other than those expressly provided for in this Agreement;
- (x) Admit additional Limited Partners to the Partnership except in accordance with the express terms hereof or grant or pledge any rights to any limited partner interest in the Partnership;
- (y) Cause the Partnership to convert the Project to cooperative or condominium ownership or have any employees;
- (z) Cause or permit the Partnership to be merged with any other entity;

(aa) Modify or make expenditures in variance with the Construction Budget for the rehabilitation of the Project except in accordance with Section 7.3;

(bb) Modify or make expenditures at variance with the Annual Operating Budget for the operation of the Project which exceed five percent (5%) of the Annual Operating Budget in the aggregate or ten percent (10%) within any individual line item of the Annual Operating Budget;

(cc) Take or omit to take any action which would cause a recapture, reduction (other than as a result of a rehabilitation or other cost savings) or disallowance of any Credits anticipated to be recognized by the Partnership;

(dd) Enter into any agreement, on behalf of the Partnership, with respect to the Commercial Space or otherwise use or permit the use of the Commercial Space by a Commercial Tenant; or

(ee) Take any action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership.

7.3 Construction Period Review.

(a) Prior to Completion of the Project and with each monthly rehabilitation loan draw, the General Partners shall promptly provide the Limited Partners for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, with copies of the summary and cover sheet for each disbursement request at the time of such request.

(b) The Limited Partners shall have the right to inspect periodically the ongoing rehabilitation of the Project, upon two (2) Business Days' prior notice, during normal business hours. The Limited Partners and the Construction Inspector shall be given notice of and the right to attend any meetings held by the Lenders and the General Partners. The Limited Partners' failure to inspect the Project and/or notify the General Partners of any concern shall not be deemed a waiver or consent by the Limited Partners to any deviation from the Plans.

(c) The General Partners shall promptly notify the Limited Partners of any periodic engineering inspections, reports updating the engineer's evaluation of the structure, and any change orders and shall obtain the prior written approval of the Limited Partners (which approval shall not be unreasonably withheld, conditioned or delayed) to any material change order except under conditions where the General Partners reasonably determine that an immediate material change order is critical for health and safety reasons. For purposes of the foregoing, a material change order shall mean (i) a proposed change order which is equal to or greater in amount than \$250,000 individually prior to the date that \$1,000,000 of the Construction Contingency has been spent, (ii) a proposed change order which is equal to or greater in amount than \$100,000 individually after the date that \$1,000,000 of the Construction Contingency has been spent and prior to the date that \$1,500,000 of the Construction Contingency has been spent, and (iii) any proposed change order, regardless of amount, after \$1,500,000 of the Construction Contingency has been spent.

7.4 Annual Operating Budget

Attached hereto as Exhibit D is the pro forma Annual Operating Budget for the Project. By no later than November 1 of each year, the Administrative General Partner shall prepare a proposed Annual Operating Budget for the next Fiscal Year and shall submit a copy to the Limited Partners. The Annual Operating Budget shall include a proposed plan for Capital Expenditures for the Fiscal Year. The Administrative General Partner shall use its best efforts to ensure that the Annual Operating Budget will provide for rents to be established at a level sufficient to achieve the Minimum Debt Service Coverage Ratio, plus sufficient net operating income to satisfy the annual payments projected in the schedule entitled Cash Flow From Operations found in the Initial Economic Projections attached to this Agreement, subject to the Housing Tax Credit Conditions. The Limited Partners shall have the right to review and approve the Annual Operating Budget if the estimated operating expenses exceed the operating expenses in the current Annual Operating Budget by five percent (5%) or more. The Limited Partners shall have thirty (30) days to notify the Administrative General Partner that they do not approve part or all of the proposed Annual Operating Budget and the reasons therefore, and in such event the Administrative General Partner and the Limited Partners shall negotiate in good faith to reach agreement on a new Annual Operating Budget provided, that until such issues are resolved, the current year's Annual Operating Budget shall be used for the following year, increased by three percent (3%). Any Annual Operating Budget submitted by the Partnership for approval by any Lender shall have been approved by the Limited Partners pursuant to this Section.

7.5 Devotion of Skill and Time; Fiduciary Duty.

(a) The General Partners shall manage the affairs of the Partnership to the best of their ability and shall use their respective reasonable best efforts to carry out the purposes of the Partnership. The General Partners shall cause the Partnership to promptly take all action which may be necessary or appropriate for the proper development, rehabilitation, maintenance, and operation of the Project in accordance with the provisions of this Agreement, the Project Documents and any applicable laws and regulations. The General Partners shall provide office space, support staff and administrative services and shall cause its officers and employees diligently to pursue and apply their general skills to the Partnership's business and devote as much time as is reasonably necessary to manage and operate the Partnership and its business in the best interests of all of the Partners. The General Partners shall not engage in any other activities unrelated to the Partnership without the consent of the Limited Partners. Affiliates of any General Partner and of the officers and employees of such General Partner may engage in other business, including, without limitation, business identical or similar to the Partnership's business.

(b) The General Partners shall have a fiduciary responsibility to the Limited Partners for the safekeeping and use of all Partnership Property, whether or not in the General Partner's immediate possession or control, and shall not employ Partnership Property in any manner except for the Partnership's exclusive benefit. The General Partners shall not contract away their fiduciary duties under the common law of agency.

7.6 General Partners or Affiliates Dealing With the Partnership.

The General Partners or any of their Affiliates shall have the right to contract or otherwise deal with the Partnership for the sale of goods or services to the Partnership in addition to those set forth in this Article 7 if (a) the fees, terms and conditions of the transactions are at

least as favorable to the Partnership as would be obtainable in an arm's-length transaction, (b) any necessary Authority consent is obtained, (c) the General Partners have furnished, in advance of their effective dates, copies of the contracts or other arrangements for furnishing goods or services to the Limited Partners, and (d) the Limited Partners have consented to such contract or arrangement, such consent not to be unreasonably withheld, conditioned or delayed. The Limited Partners shall be deemed to have consented to (i) the Development Agreement and the payment of the Development Fee, (ii) the Property Management Agreement and the payment of the fees set forth in the Property Management Agreement to the Property Manager, (iii) the payment of the Partnership Management Fee to the Managing General Partner, and (iv) the payment of the Incentive Management Fee to the Administrative General Partner. Any payment made to a General Partner or any Affiliate for the goods and services shall be fully disclosed to the Limited Partners in the reports required under Article 8. Any contract or arrangement described above with a General Partner shall contain a provision that allows any Limited Partner to cancel the contract or arrangement with such General Partner if such General Partner is removed from the Partnership.

7.7 Indemnification of Partners.

(a) The Administrative General Partner shall indemnify and hold harmless each of the Investor Limited Partner, the Special Limited Partner, and all directors, officers, employees, agents, and Affiliates thereof (collectively, the "**Indemnified Limited Partners**") from and against any and all actual out-of-pocket costs, expenses (including, without limitation, reasonable attorney's fees), damages or liabilities incurred by such Indemnified Limited Partners, (i) which may arise out of or relate to any untrue statement of a material fact, or omission to state a material fact, by such General Partner or its agents set forth in any document delivered by such General Partner or its agents in connection with the Project, the investment by each Indemnified Limited Partner in the Partnership and the execution of the Partnership Agreement and (ii) in connection with the gross negligence, breach of fiduciary duty, willful misconduct, or malfeasance of such General Partner or any Affiliate of such General Partner.

(b) The Administrative General Partner shall indemnify, defend and hold harmless, to the maximum extent permitted by law, each of the Indemnified Limited Partners and the Partnership from and against any and all Environmental Costs or other actions, suits, proceedings, claims, liabilities, damages or expenses, of any kind, arising from and after the date of this Agreement directly or indirectly out of: the past, present or future treatment, storage, disposal, generation, use, transport, movement, presence, release, threatened release, spill, installation, sale, emission, injection, leaching, dumping, escaping or seeping of any Hazardous Substances, material containing or alleged to contain Hazardous Substances at or from any past, present, or future properties or assets of the Partnership; and/or the violation or alleged violation by the Partnership or any third party of any Hazardous Substances Laws with regard to the past, present or future ownership, operation, use, or occupying of any property or asset of the Partnership.

(c) The Partnership shall indemnify the Partners, and the employees, officers, and directors, partners, agents and Affiliates of such Persons, and shall hold them harmless on an After-Tax Basis, from any claim, demand, judgment, cost or expense arising out of or related to any act or omission by the Partnership, the Partners or the agents, employees and contractors, and Affiliates of the Partnership or the Partners, arising after the date hereof except (i) for any act

or omission which is performed or omitted to be performed in bad faith or which constitutes gross negligence, willful misconduct or breach of fiduciary duty of a Partner (or the employees, officers, directors, partners, agents and Affiliates of such Person), or (ii) for which liability arises under the provisions of any other agreement by and between or among any Partners (or the agents, employees, contractors and Affiliates of the Partners) and the Partnership. Any indemnification hereunder shall be satisfied solely out of the assets of the Partnership. The Partners shall not be subject to personal liability by reason of this indemnification provision. Unless a Partner's right to indemnification under this Section 7.7(c) is being contested by any other Partner, expenses incurred by the indemnified person in defending any claim, demand, action, suit or proceeding subject to this Section shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the indemnified person to repay such amount unless and until it shall be determined that such person is entitled to be indemnified as authorized in this Section.

(d) Except as otherwise provided in this Agreement, neither the General Partners nor any Affiliate shall have any liability to the Partnership or any Partner as a result of any action or inaction by a General Partner which such General Partner reasonably believes in good faith to be within the scope of the authority conferred upon it under this Agreement and such action (or failure to act) does not constitute fraud, willful misconduct, a material breach of the Administrative General Partner's fiduciary duty or duty as TMP or Partnership Representative, gross negligence or a violation of state or federal securities laws.

7.8 The Administrative General Partner as Tax Matters Partner and Partnership Representative.

The Administrative General Partner shall be the tax matters partner ("**TMP**") as provided in Section 6231(a)(7)(A) of the Former Code, subject to the following terms and conditions:

(a) The TMP shall file all necessary federal, state and local partnership returns for the Partnership in a timely manner and furnish each Limited Partner with schedules consistent with the treatment of all items on those returns.

(b) The TMP shall keep each Limited Partner informed of all administrative and judicial proceedings for the adjustment of Partnership items at the Partnership level.

(c) If notice of an administrative proceeding under Section 6223 of the Code is received by any Limited Partner, such Limited Partner shall promptly notify the TMP of the treatment of any Partnership item on such Limited Partner's federal income tax return which is or may be inconsistent with the treatment of that item on the Partnership return.

(d) The TMP shall not enter into a settlement agreement, file any petition or request, intervene in any action or agree to extend the period of limitations for making assessments of any tax with respect to any Partnership item without the consent of the Limited Partners, which shall not be unreasonably withheld, conditioned or delayed.

(e) The Partners shall use all reasonable efforts to comply with the responsibilities outlined in this Agreement and in Sections 6222 through 6231 of the Code (including any

Regulations thereunder). The General Partner will perform its duties as the TMP without compensation, but will, except as otherwise provided in this Agreement, be reimbursed for its reasonable expenditures incurred in its capacity as TMP. The provisions of this Section 7.8 shall survive the termination of the Partnership or the termination or transfer of any Partnership Interest and shall remain binding on the Partnership for a period of time necessary to resolve with the IRS, the Department of Treasury or any state taxing authority any and all matters regarding the federal or state income taxation of the Partnership for the applicable tax year(s).

(f) Following the beginning of the Post-TEFRA Period:

(i) (1) The Administrative General Partner shall constitute the Partnership Representative, (2) the Administrative General Partner shall take any and all action required under the Code or Regulations, as in effect from time to time, to designate itself the Partnership Representative and (3) the TMP (in its capacity as such) shall have no authority under this Agreement. The designation of someone other than the Administrative General Partner as the Partnership Representative will require the consent of the Investor Limited Partner. To the extent permitted by the Code and Regulations, the Administrative General Partner, in its capacity as Partnership Representative shall be bound by the obligations and restrictions imposed on the TMP pursuant to this Section 7.8. Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the Bipartisan Budget Act), the Administrative General Partner will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 7.8, while conforming with the applicable provisions of the revised partnership audit procedures. Any action taken by the Administrative General Partner pursuant to this Section 7.8(f), including any election permitted under the Bipartisan Budget Act, shall be made only with the consent of the Investor Limited Partner. The Administrative General Partner and the Partners agree to work together in good faith to amend this Agreement if either party determines that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the TMP.

(ii) If the Partnership receives a notice of final partnership adjustment from the IRS, the Partnership Representative shall promptly forward a copy of such notice to the Investor Limited Partner and its legal counsel. The Partnership Representative shall, unless otherwise directed in writing by the Investor Limited Partner, timely file an election described in Section 6226(a) of the Code with respect to any notice of final partnership adjustment received by the Partnership with respect to any Post-TEFRA Period and take such other actions as are required so that Section 6225 of the Code shall not apply with respect to any imputed underpayment with respect to any adjustment of an item of the Partnership or any Partner's distributive share thereof. Each Partner shall take any and all actions necessary to effect such election, including but not limited to making any payments required under Section 6226(b) of the Code. In the event that an election described in Section 6226(a) of the Code is not made with respect to any notice of final partnership adjustment, each Partner shall be obligated to make a Capital Contribution in an amount equal to such Partner's share of the imputed underpayment (and any associated interest and penalties) owed by the Partnership under Section 6225 of the Code. For purposes of the preceding sentence, each Partner's share of such imputed underpayment (and associated interest and penalties) shall be determined by taking into

account (1) such Partner's share of the Net Income, Net Losses and Credits to which such adjustment and imputed underpayment relate, as determined by the Accountants; (2) such Partner's obligation (if any) to indemnify, defend, or hold harmless the Partnership or any other Partner for such imputed underpayment (and any associated interest and penalties) under this Agreement; (3) such Partner's obligations and liabilities arising from or related to such Partner's representations, warranties and covenants in this Agreement; and (4) the obligations of the Administrative General Partner under Section 3.2. For example, if an imputed underpayment were to relate to an adjustment or disallowance of Federal Housing Tax Credits previously allocated to the Investor Limited Partner and such adjustment or disallowance would give rise to an obligation of the Administrative General Partner to make a Capital Contribution under Section 3.2, then such Administrative General Partner, rather than the Investor Limited Partner, would be required to make the Capital Contribution described in this Section 7.8(f).

(iii) If for any Post-TEFRA Period the Partnership meets the requirements of Section 6221(b) of the Code to elect not to have Section 6221(a) of the Code apply with respect to any adjustment to Partnership tax items, the Partnership Representative may, with the consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), make such election described in Section 6221(b) of the Code for each tax year, as applicable.

(iv) Notwithstanding anything to the contrary in this Section 7.8(f), none of the Partnership, the Administrative General Partner or the Partnership Representative shall, without the prior consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), take any action or make any election (or omit to take any action or make any election) under the federal tax audit rules pursuant to the Code and Regulations which would or could reasonably be expected to have a materially adverse effect on the Investor Limited Partner (or its direct or indirect owners). The rights of the Investor Limited Partner under this Section 7.8(f) shall survive any sale, exchange, liquidation, retirement or other disposition of either Partner's Partnership Interest.

7.9 Reports to Lenders and Authorities.

The General Partner shall furnish or cause to be furnished the information regarding the Project (a) to any Lender or Authority as reasonably requested from time to time, or (b) to any Authority or other Person as required to satisfy the Housing Tax Credit Conditions. In accordance with Section 8.3(a), the General Partner shall furnish the Limited Partners with copies of any such reports.

7.10 Insurance.

The Administrative General Partner shall obtain and maintain throughout the term of the Partnership, or shall cause to be obtained, maintained and evidenced by others, as applicable, insurance on the Project satisfactory to the Lenders and the Limited Partners and at least the types and amounts of insurance on the Project as set forth on Exhibit J hereto, no later than the Closing Date.

7.11 Housing Tax Credit Conditions.

The General Partners acknowledge the importance to the Limited Partners' Tax Benefits of achieving and maintaining the appropriate low-income set aside requirement and the General Partners agrees that they shall use commercially reasonable best efforts to avoid any failure to achieve and maintain such levels, including but not limited to the following:

(a) The General Partners shall cause to be kept all records (including the tenant qualification documents for each tenant throughout the Compliance Period), and cause to be made all elections and certifications required to satisfy the Housing Tax Credit Conditions and qualify for and maintain the full Housing Tax Credit Amount and any other available Tax Benefits.

(b) The General Partners shall elect for each building the appropriate minimum low-income set-aside requirement within twelve (12) months after placement in service of such building or such other time period as may hereafter be required by the Code or Regulations for the Housing Tax Credits; provided, however, that in the event it becomes reasonably certain that such set-aside will not be met, the General Partners shall promptly so notify the Limited Partners in writing and shall proceed to elect such other minimum set-aside requirement as will best protect or enhance the Tax Benefits to the Limited Partners under the circumstances. Notwithstanding the foregoing, the General Partners acknowledge that 100 of the 102 of the Units in the Project are intended to be used for low-income housing.

(c) The General Partners shall certify compliance with the elected set-aside requirement and report the dollar amount of qualified basis, maximum applicable percentage and qualified basis, date of placement in service, and any other information required for the Housing Tax Credits in a timely manner but in no event later than December 31st of the first year in which any building in the Project is placed in service or such other time periods as may hereafter be required by the Housing Tax Credit Conditions.

(d) In the event at any time it becomes apparent that the Tax Benefits projected in the Initial Economic Projections are not likely to be substantially realized, the General Partners shall promptly notify the Limited Partners of the circumstances.

(e) The General Partners shall cause the Partnership to meet the Fifty Percent Test within the time period necessary to permit the Partnership to satisfy the requirements of Section 42(h)(4)(B) of the Code.

7.12 Project Management.

(a) The General Partners, on behalf of the Partnership, shall enter into the Property Management Agreement with the Property Manager. The General Partners shall cause the Partnership to diligently enforce all of the obligations of the Property Manager thereunder, and to perform all of the Partnership's obligations as owner thereunder. The Property Manager shall be entitled to receive the Property Management Fee pursuant to the terms of the Property Management Agreement. Notwithstanding the foregoing, if at any point in time the Property Manager is an Affiliate of a General Partner, the payment of Property Management Fees shall be subordinated and subject to the Project maintaining a minimum 1.0 to 1.0 Debt Service Coverage

Ratio after all Partnership Expenses (including the Property Management Fee) and replacement reserve payments. The Property Management Fee paid shall be reduced by an amount sufficient to maintain a 1.0 to 1.0 Debt Service Coverage Ratio at all times. Property Management Fees that are subordinated and accrued but not paid shall be paid out of Operating Cash Flow

(b) The General Partners may not remove a Property Manager, or select a new Property Manager without the consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed (and the Agency and any Lender, if applicable); provided that as long as the Property Management Agreement is in the form attached hereto as Exhibit K, the Investor Limited Partner's approval is not required for the renewal of the Property Management Agreement with the Property Manager. Furthermore, at the reasonable request of the Special Limited Partner and after providing written notice to the General Partners of the Special Limited Partner's reasons for the request, the General Partners shall terminate the Property Management Agreement within thirty (30) days of receipt of the Special Limited Partner's notice. Furthermore, if at any time the Administrative General Partner is removed or otherwise ceases to be general partner for any reason, then the Investor Limited Partner can require the removal of the Property Manager.

(c) Any Property Management Agreement shall contain specific provisions requiring the Property Manager to satisfy all Housing Tax Credit Conditions necessary for the Partnership to be entitled to claim Housing Tax Credits in the full Housing Tax Credit Amount.

7.13 Casualty or Condemnation.

(a) In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any portion thereof, the General Partners shall promptly give the Limited Partners written notice thereof. To the extent casualty insurance and condemnation award proceeds are available for rebuilding, net of expenses reasonably incurred in obtaining such proceeds and subject to the rights of the Lenders and any other sources of financing available to the General Partners and the Partnership, the General Partners shall use reasonable efforts to rebuild the Project in such manner as will as fully as possible implement the Initial Economic Projections and achieve the financial forecast of Tax Benefits contained therein. Any casualty insurance or condemnation award proceeds that are not fully expended in such rebuilding shall constitute proceeds of an Extraordinary Transaction. In connection with any such rebuilding, the General Partners shall seek legal, tax, and accounting counsel and take all necessary or advisable steps to preserve as fully as possible the Initial Economic Projections and Housing Tax Credit Amount.

(b) Notwithstanding Section 7.13(a) above, in the event the nature of the casualty or condemnation, or any lack of sufficient casualty insurance or condemnation award proceeds and other financing sources for rebuilding, or the effect of tax laws then applicable makes it impossible or unlikely that rebuilding of the Project or portion thereof can be accomplished or that the projected Tax Benefits in combination with any other projected economic benefits to the Investor Limited Partner would not be substantially as much from rebuilding the Project or such portion thereof as they would be without rebuilding, then, subject to the rights of the Limited Partners described in the following sentence, the General Partners shall, at their election, (i) obtain the consent of the Investor Limited Partner to an alternative proposal, which consent shall not be unreasonably withheld, conditioned or delayed, or (ii) refrain from rebuilding and

proceed to utilize as proceeds of an Extraordinary Transaction any casualty insurance or condemnation award proceeds allocable to the Project or such portion thereof. If as a result of a casualty or condemnation it is impossible or unlikely that rebuilding of the Project will occur, then the Limited Partners may require that the Administrative General Partner purchase the Partnership Interests of the Investor Limited Partner for an amount which, after taking into account the Housing Tax Credit Amount and other Tax Benefits allocated to the Limited Partners to date and the distributions to the Limited Partners, will cause the Investor Limited Partner to realize, on an After-Tax Basis, the full amount of the Tax Benefits.

(c) Except under circumstances in which portions of the Project are unaffected by the casualty or condemnation or are rebuilt as contemplated hereunder, the General Partners shall, unless the Limited Partners consent to any alternative proposal or require the General Partners to purchase the Partnership Interests of the Investor Limited Partner, proceed to terminate and liquidate the Partnership, selling Partnership assets, repaying indebtedness, and distributing net proceeds of Extraordinary Transactions to the Partners as provided in Article 12 hereof. In the event of rebuilding, the General Partners shall have no obligation to enter into rehabilitation or rehabilitation contracts at a price exceeding the amount of casualty insurance or condemnation award proceeds available for rebuilding. In such event, all fees to the General Partners and Affiliates shall remain as set forth in the Project Documents and the General Partners shall not pay additional amounts to third parties to perform their obligations hereunder, unless otherwise agreed in writing by the General Partners and by the Limited Partners, provided that the consent of the Limited Partners shall not be required if and to the extent there are sufficient casualty insurance or condemnation award proceeds to pay additional and reasonable fees to the General Partners and Affiliates or third parties without adversely affecting the rebuilding of the Project.

(d) Nothing contained herein shall be construed to affect the General Partners' liability for any failure to provide insurance to the full extent required under Section 7.10 hereof.

7.14 Development Agreement and Development Fee.

The Developer shall be paid the Development Fee in accordance with the terms of the Development Agreement.

7.15 Asset Management Fee; Asset Manager

The Partners hereby appoint AEGON as the initial Asset Manager. The Partnership shall pay annually to the Asset Manager the Asset Management Fee from Operating Cash Flow in the priority set forth in Section 5.1 and/or from Extraordinary Cash Proceeds in the priority set forth in Section 5.2. The Investor Limited Partner may, from time to time, appoint a third party to act as the Asset Manager for its investment in the Project in lieu of AEGON. The General Partners shall use reasonable efforts to cooperate with any Asset Manager appointed by the Investor Limited Partner. Following prior notice thereof the Administrative General Partner, the Asset Manager shall have the right to conduct on-site visits to inspect the Project during normal business hours. On-site visits shall include the right to inspect all residential, community and commercial areas of the Project, including, but not limited to management and leasing offices and vacant units (if no vacant units are available, then at least one occupied unit of each unit type in the Project).

7.16 Signage and Groundbreaking Events.

The General Partners shall not have the right to use the name or any trademarks of AEGON or any Limited Partner in any publicity regarding the Project, including any press releases, signs, etc., without the prior written approval of AEGON and/or the applicable Limited Partner. AEGON and the Limited Partners shall have the right, in their sole discretion, to participate in any publicity or signs placed on the Project by the General Partners or the Partnership or to place a sign or signs on the Project announcing their participation in the Project. During rehabilitation of the Project, if reasonably requested by the Special Limited Partner, the General Partners shall cause the Partnership to provide, erect and maintain, at the expense of the Special Limited Partner, at the site of the Project, a sign approved by the Special Limited Partner, which sign shall include language and a logo provided by the Special Limited Partner stating that the Limited Partner, any affiliate thereof, and/or, if reasonably directed to by the Special Limited Partner, any investor in the Limited Partner, that has assisted in the financing of the Project. The General Partners shall invite the Limited Partners to attend any groundbreaking, ribbon-cutting or other public relations ceremony or special event with respect to the Project. The General Partners shall provide reasonable advance notice to the Limited Partners of any such event so the representatives of the Limited Partner and their affiliates may attend.

7.17 Related Party Indebtedness.

If the Investor Limited Partner should reasonably determine at any time during the Compliance Period that (i) its share of minimum gain is insufficient to result in losses being allocated to the Investor Limited Partner such that it will be allocated less than 99.99% of the partnership's Tax Credits, and (ii) such insufficiency is due to any fee (including without limitation any deferred Development Fee) or loan owed to a General Partner or an affiliate of such General Partner that is considered a "related person" (as such term is defined in Treasury Regulation 1.752-4(b), taking into account the rule provided for "tiered partnerships" in Treasury Regulation 1.752-4(a) (the "Tiered Partnership Rule" and collectively, the "Disaffiliation Regulations")) not being includible in the computation of the Investor Limited Partner's share of minimum gain, then the General Partner shall promptly take appropriate action (a "Disaffiliation") to either (a) cause the General Partner to be treated as a corporation for federal income tax purposes and to have a not less than 21% unrelated minority stockholder, so as to make the General Partner "unrelated" to the person who is owed such fee or loan in accordance with the Disaffiliation Regulations or (b) cause the General Partner to be treated as a corporation for federal income tax purposes and transfer the ownership or right to payment of such fee or loan to a person who is not more than 20% related to the General Partner. If the General Partner is the Person owed such loan or fee, then the General Partner shall, in addition to the requirements set forth in the foregoing clauses (a) or (b), transfer the loan or fee to another Person as part of the Disaffiliation.

Interpretation and application of this section and each of the Disaffiliation Regulations shall be in the sole discretion of the Investor Limited Partner and the General Partners agree to provide such documentation as the Investor Limited Partner may require to determine that a Disaffiliation has occurred in accordance with the Disaffiliation Regulations.

The Partners hereby agree that Disaffiliation shall be the process by which to address the inability to allocate at least 99.99% of the Tax Credits to the Investor Limited Partner because of

a loan or fee as described in this Section. Nothing in this Section shall be construed to require the Investor Limited Partner to undertake a Deficit Restoration Obligation, to require the Partnership to undertake any special allocation of depreciation deductions to the Investor Limited Partner, or for any Partner or the Partnership to take other steps that might also result in an increase in the Tax Credits allocable to the Investor Limited Partner.

7.18 Managing General Partner Provisions.

(a) At all times during this Agreement, the following shall be true: (i) the Managing General Partner materially participates in the management and day-to-day operations of the Partnership; (ii) the Managing General Partner is and shall be a limited liability company meeting the requirements of BOE Property Tax Rule 136; (iii) the articles of incorporation of the Managing General Partner or its sole member shall at all times satisfy the requirements of Rule 143 as adopted by the BOE; and (iv) the Managing General Partner shall obtain and maintain the Property Tax Exemption for the Project under Section 214(g) of the State Tax Code. Under Rule 140.2 of the BOE Property Tax Rules, as amended, a limited partnership in which the managing general partner is an eligible tax-exempt corporation or eligible limited liability company meeting the requirements of proposed Rule 140.1 of the BOE Property Tax Rules, as amended, that owns low income property for which it intends to claim the Property Tax Exemption under the State Tax Code Section 236 or 214(g) must file with the BOE an application for Supplemental Clearance Certificate (the “**BOE Supplemental Certificate**”) for each low income housing project. The BOE Supplemental Certificate will only be granted if the managing general partner has already been granted an organizational clearance certificate by the BOE as required under Revenue and Taxation Code Section 254.6. The Managing General Partner hereby represents and warrants to the Partners that it will obtain an organizational clearance certificate for itself. The application for the BOE Supplemental Certificate is filed prior to the initial welfare exemption filing and shall be filed by the Managing General Partner thereafter as required by the BOE. In addition, in lieu of submitting the Partnership’s limited partnership agreement annually to the BOE for review, the Managing General Partner hereby agrees to annually file any certificate required by the BOE at that time. In the event that the Managing General Partner fails to timely (i) obtain an organizational clearance certificate, (ii) file for the BOE Supplemental Certificate, (iii) obtain the Property Tax Exemption, or (iv) maintain the Property Tax Exemption in each year of the Credit Period, the Managing General Partner may be removed by the Partners in accordance with Article 11. The savings resulting from any Property Tax Exemption are used to maintain the affordability of the units in the Project as provided in, and subject to the terms of, this Agreement and the BOE Property Tax Rules because such savings are necessary in order for the Partnership to meet its debt underwriting and financing requirements and assumptions while still maintaining affordable rents to tenants. The Partners undertake that they would not undertake to develop and operate the Project and provide the affordable housing created by the Project unless the Property Tax Savings were available to assist in the underwriting of the Project’s operating expenses and debt service payments. If the Managing General Partner Withdraws or is removed as a General Partner or for any other reason ceases to meet the requirements of this Section, then the remaining Partners shall immediately satisfy such requirements by substitution

of another qualified non-profit organization or limited liability company which satisfies all of the foregoing requirements.

(b) The Managing General Partner shall directly or indirectly manage the Partnership and shall devote such time and provide such services to the Partnership as shall be necessary to discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall exercise such power and authority as is necessary to adequately discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall be the “managing general partner” of the Partnership, as such term is used in Section 214(g) of the State Tax Code and as further defined in BOE Property Tax Rules. The Managing General Partner shall have all rights and powers generally conferred by law or necessary, advisable or consistent in connection therewith, or in connection with accomplishing the purposes of the Partnership as set forth in this Agreement, within the authority granted to it under this Agreement, shall materially participate in the control, management and direction of and shall control the Partnership’s affairs to the best of its ability. In discharging its responsibilities hereunder, the Managing General Partner (except where otherwise provided herein) shall use its best efforts to carry out the purposes, business and objectives of the Partnership and shall devote to Partnership business such time and effort as shall be reasonably required for the Partnership’s welfare and success. The Managing General Partner shall have the following specified duties and obligations with respect to the management of the business of the Partnership:

- (i) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership;
- (ii) Execute and enforce all contracts executed by the Partnership;
- (iii) Execute and deliver all Partnership documents on behalf of the Partnership;
- (iv) Ensure that charitable services or benefits, such as vocational training, educational programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits are made available to the tenants of the Project; and
- (v) Monitor compliance with all government regulations and files or supervise the filing of all required documents with government agencies.

In accordance with the BOE Regulations, the Managing General Partner may delegate all or any of its powers, rights and obligations under Section 7.18(b)(i)-(v) to the Administrative General Partner (but may not otherwise delegate its powers, rights and obligations), and may appoint, employ, contract or otherwise deal with the other Partners for the transaction of the business of the Partnership. The other Partners may, under supervision of the Managing General Partner, perform any acts or services for the Partnership which may be delegated as described in the preceding sentence as the

Managing General Partner may approve; *provided, however*, such delegation does not excuse the Managing General Partner from overseeing and supervising on an ongoing basis the activities delegated. The Managing General Partner may not delegate any of its powers, rights and obligations hereunder to a party other than the Administrative General Partner without the prior written consent of the Limited Partners. If the Managing General Partner elects to delegate one or more of its duties under this Section 7.18, the Managing General Partner shall retain such records as are reasonably required to demonstrate that it is actually supervising the performance of the delegated duties.

(c) The Managing General Partner will maintain records and documents evidencing the duties performed by the Managing General Partner (the “**Management Documents**”). Such records and documents may include, but are not limited to, the following Partnership documents: (i) accounting books and records; (ii) tax returns; (iii) budgets and financial reports; (iv) reports required by lenders; (v) documents related to the rehabilitation of the Project; (vi) legal documents such as contracts, deeds, notes, leases, and deeds of trust; (vii) documents related to complying with government regulations and filings; (viii) documents related to Project inspections; (ix) documents related to charitable services or benefits provided or the information provided regarding such services or benefits; (x) reports prepared for the Partners; (xi) bank account records; (xii) audited annual financial statements of the Partnership; and (xiii) the Property Management Agreement.

(d) The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that it is being used as a low-income housing project meeting the requirements applicable to Federal Housing Tax Credits and meeting all the requirements of the BOE and the BOE Property Tax Rules for the Property Tax Exemption.

(e) The Managing General Partner shall submit on an annual basis a certification to the county assessor for the county in which the Project is located, certifying that the Project meets all of the requirements set forth in the BOE Property Tax Rules applicable to the Property Tax Exemption.

(f) The BOE has issued a directive regarding Welfare Exemption Claim Supplemental Affidavits, Housing for Lower Income Households (FORMS BOE-267-L1 and L2) and the filing requirements for low income rental housing properties eligible for the Property Tax Exemption. Under the filing requirements, the Managing General Partner may certify that this Agreement provides sufficient management authority and duties to qualify it as the managing general partner of the Partnership, as required for the exemption. If this certification (the “**BOE Certification**”) as set forth in Forms BOE-267-L1 or BOE-267-L2, is filed, the Partnership is not required to submit its limited partnership agreement and amendments to the BOE staff for review at the time an exemption claim is filed. The Partners have determined that in order to obtain Property Tax Exemption in the most timely and efficient manner, it is in the best interest of the Partnership to file the BOE Certification in connection with its annual claim for the Property Tax Exemption. The Managing General Partner hereby agrees to file the BOE Certification and related documentation with the BOE in compliance with applicable procedures. In the event that the Agreement is amended in such a way as to cause the

Managing General Partner to be unable to make the representations necessary to execute the BOE Certification under penalty of perjury, the Managing General Partner will not be required to execute the BOE Certification. In such an instance the Property Tax Exemption claim filed by the Managing General Partner will include this Agreement and amendments to date.

(g) The Managing General Partner will consult with and advise the Administrative General Partner in all respects relating in the management of the Partnership and the Project as set forth in this Section 7.18.

(h) In the event this Agreement provides for an action that requires a vote of the majority-in-interest of the General Partners, the General Partners shall each vote on such matter in accordance with their voting interests, which shall be two votes for the Administrative General Partner and one vote for the Managing General Partner.

ARTICLE 8 BOOKS AND RECORDS; REPORTS; RESERVES

8.1 Maintenance.

(a) The General Partners shall cause to be kept, at the principal place of business of the Partnership, full and proper ledgers and other books of account of all receipts and disbursements and other financial activities of the Partnership, including the following documents of the Partnership:

(i) A current list of the full name and last known business or residence address of each Partner set forth in alphabetical order together with the contribution and share in profit and losses of each Partner;

(ii) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(iii) Copies of the Partnership's federal, state and local income tax or information returns and reports, if any, for the six (6) most recent Fiscal Years of the Partnership;

(iv) Copies of the original Partnership Agreement and all amendments thereto;

(v) Financial statements, including a balance sheet and statements of income (or loss), of the Partnership for each of the six (6) most recent Fiscal Years, including quarterly and monthly internal financial statements of the Partnership; and

(vi) The Partnership's books and records for at least the current and past three (3) Fiscal Years.

(b) Any Partner of the Partnership shall have the additional right, upon reasonable notice and at its own expense, directly or through a representative, including the Asset Manager,

to inspect and copy during normal business hours any of the records of the Partnership required to be maintained by Section 8.1(a).

(c) The Partnership's books of account shall be maintained, and Capital Accounts and profits, losses and other items described in Article 6 shall be determined, in accordance with federal income tax accounting principles utilizing the accrual method of accounting, subject to confirmation by the Accountants. Annual, audited Partnership financial statements shall be prepared and maintained at the Partnership's expense in accordance with generally accepted accounting principles for the type of business of the Partnership.

8.2 Tax Returns and Tax Elections.

(a) The General Partners shall instruct the Accountants for the Partnership to prepare and file all required federal, state and local income tax returns for the Partnership. The General Partners shall cause to be sent to the Partners of the Partnership as part of the Annual Report specified in Section 8.3(c) all necessary tax reporting information regarding the Partnership required by the Partners for preparation of their respective federal, state and local income or franchise tax or information returns and a copy of the Partnership's federal, state and local income tax or information returns for the Fiscal Year.

(b) The Administrative General Partner has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits, that the Special Limited Partner reasonably determines are in the Limited Partner's best interest. In particular, the Administrative General Partner shall cause the Partnership to elect out of "bonus depreciation" available pursuant to Section 168(k) of the Code. The Partners shall agree on all applicable elections, determinations and other decisions under the Code and under applicable state and local tax law, including the tax treatment of the rehabilitation period interest and the other positions to be taken on the Partnership's federal, state and local information returns, provided that the most rapid permissible method of depreciation of the Partnership's assets shall be used, including, without limitation, bonus depreciation. Notwithstanding the foregoing, upon the request of the Limited Partners, the Administrative General Partner shall timely file an election under Section 754 of the Code and the Regulations on behalf of the Partnership to adjust the basis of the Partnership's assets under Sections 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law.

8.3 Reports.

The General Partners shall cause to be prepared and delivered to the Limited Partners:

(a) Copies of Certain Documents. The General Partners shall deliver or cause to be delivered to the Limited Partners the following:

(i) concurrent with their filing, copies of any reports filed with any Authority regarding the Project pursuant to Section 7.9, including but not limited to a copy of the annual owner's certification submitted to the Credit Agency;

(ii) within ten (10) days of receipt, copies of any material reports or material written notices received by the Partnership from (a) any Lender or (b) the Credit Agency or any other Authority regarding the Project's compliance with any income and rent

restrictions, including but not limited to any state audit performed regarding the Project's compliance with the Housing Tax Credit Conditions, Form 8823's, and any notice regarding noncompliance affecting the Tax Benefits;

(iii) all documents required to be prepared and filed by the Managing General Partner pursuant to Section 7.18; *provided, however*, that this obligation applies solely to the Managing General Partner and not to the Administrative General Partner;

(iv) prior to the date thereof, notice of termination of the services of the Property Manager; and

(v) promptly following the acquisition thereof, detailed information regarding any items of real or personal property, tangible or intangible, the value of which property exceeds \$10,000 (other than as may be contemplated in the current Annual Operating Budget).

(b) Quarterly Reports. Within thirty (30) days after the end of each quarter of each Fiscal Year, including the fourth quarter, the General Partners shall prepare and deliver or cause to be delivered to the Limited Partners a quarterly report setting forth and containing the following:

(i) unaudited financial statements for the previous quarter including balance sheet, income statement and statement of cash sources and applications;

(ii) an unaudited comparison of the actual results of the operations of the Partnership during the applicable quarter with the projections for such quarter as set forth in the Annual Operating Budget, including physical and Housing Tax Credit qualified occupancy levels, any deposits to, or withdrawals from, any Reserves and a written explanation of any variance greater than ten percent (10%) to any individual line item in the Annual Operating Budget;

(iii) a statement indicating if there are any Development Deficiencies and/or Operating Deficits or anticipated Development Deficiencies and/or Operating Deficits, and if so, the manner in which it is anticipated such Development Deficiencies and/or Operating Deficits will be funded;

(iv) a management report on the Project containing such information as is reasonably necessary to advise the Limited Partners about their investment in the Partnership and the development and/or operation of the Project;

(v) a report of aged payables and receivables;

(vi) evidence of payment of property taxes and insurance as required hereunder for the applicable period; and

(vii) any other information regarding the Partnership and its operations during the prior fiscal quarter reasonably deemed by the General Partners to be material to the Limited Partners, for example, any lawsuits involving the Partnership or its Property.

(c) Annual Reports. Within forty-five (45) days after the end of each Fiscal Year (beginning with the Fiscal Year containing the Closing Date) for each item, the General Partners shall prepare and deliver or cause to be delivered to the Limited Partners an annual report setting forth the following:

(i) draft audited financial statements of the Partnership prepared in accordance with generally accepted accounting principles as applied in the United States for the previous Fiscal Year, including balance sheet, income statement and statement of cash sources and applications, and a record of the Capital Replacement Reserve and Operating Reserve identifying all payments made to and from such Reserves; a detailed operating statement, which shall include in addition to what is customary, a vacancy number and the line items making up the operating expense categories; an income and cash flow statement; an analysis of the Capital Accounts of each Partner; an analysis of the disbursement of Operating Cash Flow, as set forth in Article 5 of this Agreement; a loss schedule, which need not be audited, for the remainder of the Compliance Period; an adjusted trial balance; and detailed notes which shall include an analysis of the Reserves, identifying all payments made to and from such Reserves and a profile of all debt (including payment priority and amounts paid and accrued) and a comparison of actual results from budgeted results; final audited financial statements in accordance with the terms of this Section 8.3(c)(i) shall be provided to the Limited Partners within sixty (60) days after the end of each Fiscal Year;

(ii) adjusted trial balance prepared by the Accountants;

(iii) an annual projection of Net Income and Net Losses through the end of the Compliance Period;

(iv) a calculation of all distributions during the previous Fiscal Year under the terms of this Agreement;

(v) the federal and state tax returns for the Partnership for the prior Fiscal Year;

(vi) the K-1's for the Limited Partners, which shall be delivered electronically in accordance with Exhibit M;

(vii) a completed Housing Tax Credit monitoring form for the prior Fiscal Year, using the form submitted to the Credit Agency, which shall include a report of the household income restrictions and permitted rental rates for such Fiscal Year and the rent roll for each month during such Fiscal Year of the Project;

(viii) for so long as the Guaranty is outstanding, the annual audited financial statements of Fairstead Affordable LLC;

(ix) proof of payment of property taxes, if any, and insurance as required hereunder for the Fiscal Year;

(x) the Compliance Audit required pursuant to Section 8.3(d);

(xi) a copy of the most recent HUD REAC Score;

(xii) Reconciliation of the Partnership's audited financial statement to federal income tax accounting principles.

(d) Tax Credit Compliance Reports. The Asset Manager shall (i) within six (6) months after the Rent-Up Date, or by the Final Payment Date if earlier, cause to be prepared a full Housing Tax Credit compliance audit (the "**Compliance Audit**") for all Low-Income Units at the expense of the Partnership conducted by the Compliance Auditor approved by and delivered to the Limited Partners in an electronic format, and (ii) for each Fiscal Year thereafter, cause to be prepared a limited tax credit Compliance Audit of a random twenty percent (20%) of Units in the Project, provided that if such Compliance Audit indicates a material compliance problem, then at the request of any Limited Partner after the first Fiscal Year, a full Housing Tax Credit Compliance Audit shall be prepared at the expense of the Partnership. In the event that any Compliance Audit indicates any compliance problems, the General Partners shall take all action as is necessary to resolve such compliance problems.

(e) Failure to File Timely Reports. If the General Partners do not cause the Partnership to fulfill its obligations pursuant to this Section 8.3 within five (5) Business Days after a Limited Partner has provided notice of non-compliance to the General Partners, the Limited Partners may assess the Administrative General Partner damages in the sum of \$300 per day. The Administrative General Partner shall pay AEGON such damages within ten (10) days of notice from the Limited Partners, and failure to do so shall be deemed a material breach of this Agreement. The Administrative General Partner shall not be entitled to any distributions or fees payable under any Project Document until the reports are filed and such damages are paid. The Limited Partners may elect to waive any damages due hereunder in their sole discretion. Notwithstanding the foregoing, the Managing General Partner, and not the Administrative General Partner, shall be solely responsible for all documentation required to be prepared and filed under Section 8.3(a)(iii). If the Managing General Partner does not fulfill its obligations pursuant to this Section 8.3 within five (5) Business Days after a Limited Partner has provided it with notice of non-compliance, the Limited Partners may assess the Managing General Partner damages in an amount equal to \$100 per day for failure to deliver the annual documentation required under Section 8.3(a)(iii) within forty-five (45) days of the end of each Fiscal Year (or such other date as may be permitted under the State Tax Code prior to incurring any tax, penalty or interest charges), and the Managing General Partner shall not be entitled to any distributions or fees payable under any Project Document until copies of the documentation required to be prepared and filed under Section 8.3(a)(iii) are received by the Investor Limited Partner and such damages are paid. The Limited Partners may elect to waive any damages due pursuant to the preceding sentence in their sole discretion.

(f) Electronic Reporting. The General Partners shall submit the quarterly reports referenced in Section 8.3(b) electronically to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager). Furthermore, the General Partners shall submit such electronic reports to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager) on a monthly basis if reasonably requested by the Asset Manager, which such electronic reports shall contain, but not be limited to, a trial balance sheet (in Excel), an aged accounts payable report (in Excel), and a current rent roll (in Excel or PDF). The General Partners shall submit the Schedule K-1's referenced in Section 8.3(c) electronically

to the Asset Manager at lihtcreporting@aegonusa.com, and the Limited Partners' consent to electronic transmissions of Schedules K-1 is attached hereto as Exhibit N.

8.4 Fiscal Year.

The Fiscal Year for the Partnership shall be the same as the Investor Limited Partner's fiscal year, which is currently a calendar year.

8.5 Bank Accounts.

All funds of the Partnership shall be invested in the name of the Partnership, under such terms and conditions as the General Partners shall approve, provided that such investments shall be limited to (a) financial institutions whose deposits are insured by an agency of the U.S. Government (such as the Federal Deposit Insurance Corporation) and where the instrument's or account's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (c) such other investments approved by the Limited Partners and which are acceptable to the General Partners. Furthermore, all funds, including but not limited to, operating funds, tenant deposits, capital replacement reserves, operating reserves, and any other reserves and/or funds shall be held in separate bank accounts and shall not be co-mingled.

8.6 The Accountants.

The Administrative General Partner shall employ an accounting firm acceptable to the Limited Partners as the Accountants for the Partnership, and may thereafter replace the same with another accounting firm only upon the consent of the Limited Partners, which consent shall not be unreasonably withheld, conditioned or delayed. The Partnership's Accountants initially shall be Dauby, O'Connor & Zaleski, LLC of Carmel, Indiana. The fees and expenses of the Accountants shall be a Partnership expense; notwithstanding the foregoing, to the extent such costs are attributable to special computations required by reason of any transactions engaged in, or special tax elections (except for any election under Section 754 of the Code pursuant to Section 8.2) made by or for the benefit of a Partner or any person having an interest in a Partner, such costs shall be borne by that Partner.

8.7 Reserves.

Subject to the Credit Agency's requirement to fund the Reserves earlier than as provided in this Agreement, the Administrative General Partner shall cause the Partnership to establish and maintain such Reserves as the Administrative General Partner reasonably determines is necessary for the Partnership, including anticipated capital needs, and contingency needs of the Partnership, and requirements of the Lenders, and shall establish and maintain at a minimum the following Reserves:

(a) Capital Replacement Reserve. The Partnership shall establish and maintain a capital replacement reserve, which may be held by the First Mortgage Lender, the proceeds of which reserve shall be used for Capital Expenditures, subject to Section 7.2 of this Agreement (the "Capital Replacement Reserve"). The Partnership shall commence funding the Capital

Replacement Reserve no later than the month in which the first Unit is occupied, and shall initially be funded from monthly operating income in an amount equal to at least \$300 per Unit per year, and prior to Initial Rent-Up the Capital Replacement Reserve shall be funded on a pro rata basis as each Unit in the Project is leased. Beginning on January 1st of the Fiscal Year following the initial funding of the Capital Replacement Reserve, and on January 1st of each Fiscal Year thereafter, the Partnership shall fund the Capital Replacement Reserve with no less than an additional \$300 per Unit each Fiscal Year increased annually by a factor of not less than 3%. The Capital Replacement Reserve shall be available for the General Partners to make necessary repairs and improvements upon notice to the Limited Partners and prior written consent of the Limited Partners (which consent shall not be unreasonably withheld, conditioned or delayed) for any expenditures in excess of \$20,000, or any expenditures that would reduce the balance of the Capital Replacement Reserve below \$30,600.

(b) Operating Reserve. The Administrative General Partner shall establish an operating reserve in the minimum amount of \$542,395 (the "**Operating Reserve**"), which reserve amount shall be funded not later than the Investor Limited Partner's Final Federal Payment. The Operating Reserve shall be used to fund Operating Deficits at any time after the Rent-Up Date (*provided, however*, that all amounts withdrawn prior to the end of the first full year of Property operations must be restored prior to the end of the first full year of Property operations from Operating Cash Flow or from proceeds of an Administrative General Partner advance). Any withdrawals from the Operating Reserve to fund Operating Deficits must be consented to by the Investor Limited Partner, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the General Partner may draw amounts from the Operating Reserve to pay operating expenses and debt service without the prior consent of the Investor Limited Partner, but with prior notice to the Investor Limited Partner, solely in the event HAP Contract payments are delayed by HUD through no fault of the Partnership or the General Partners. Upon receipt of the delayed HAP Contract payments, such payments shall be deposited into the Operating Reserve to replenish funds drawn pursuant to the preceding sentence. In the event a HAP Contract payment is delayed, an Operating Deficit occurs, and there are not sufficient funds in the Operating Reserve to cover such Operating Deficit (or the Operating Reserve has not yet been established), the General Partners may contribute amounts required to cover such Operating Deficit up to the amount of the delayed HAP Contract payment; the General Partner shall then be reimbursed for the amount advanced upon receipt of the delayed HAP Contract payment.

Reserves shall be maintained in such accounts, as may be required by the Lenders and shall comply with all Lender requirements in addition to the requirements set forth herein. Notwithstanding anything to the contrary contained herein, Reserves may not be used to pay subordinated Property Management Fees as required by Section 7.12(a).

ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS OF GENERAL PARTNERS

As of the Closing Date, the Administrative General Partner and the Managing General Partner, as applicable and each as to itself and not as to the other, hereby represent, warrant and covenant to and with the Limited Partners that as of the date of this Agreement, each Payment Date and throughout the term of this Agreement through the date on which the last Limited Partner withdraws from the Partnership:

9.1 General Partner Organization.

The Administrative General Partner is a duly organized limited partnership validly existing under the laws of the State of Delaware and qualified to conduct business in the State as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement.

The Managing General Partner is a duly organized limited liability company validly existing under the laws of the State as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement.

9.2 Partnership Organization.

The Partnership is a limited partnership duly constituted and existing under the Act, qualified to conduct business in the State and has full power and authority to perform its obligations under the Project Documents.

9.3 Title to Property.

As of the Closing Date, the Partnership shall have a fee interest in the Land and good and clear record and marketable title to the other Partnership Property free and clear of any liens, charges or encumbrances other than the Permitted Encumbrances. All real estate taxes, assessments, water and sewer charges and other municipal charges with respect to the Land to the extent due and owing, have been paid in full.

9.4 Obligations.

The Administrative General Partner certifies that the Partnership has no indebtedness, obligations, commitments or liabilities accrued, absolute, contingent or otherwise which are not reflected in the Project Documents.

9.5 Material Contracts.

There are no material contracts or agreements, written or oral, affecting the ownership or operation of the Project except the Project Documents. Neither the Administrative General Partner nor the Partnership nor, to the best knowledge of the Administrative General Partner, any other party to any of the Project Documents, is (or, with notice or the passage of time, or both, would be) in default under the Project Documents.

9.6 Due Authorization of General Partners.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the General Partners have been or will be duly authorized by all requisite corporate actions and proceedings, and each Project Document to which each General Partner is a party constitutes the legal, valid and binding obligation of the General Partners, enforceable against them in accordance with its terms and the consummation of any such transactions with or on behalf of the General Partners will not constitute a breach or violation of, or a default under, the organizational documents of the General Partners.

9.7 Due Authorization of Partnership.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Project by the Partnership has been or will be duly authorized by all requisite partnership action and proceedings and constitutes the legal, valid and binding obligation of the Partnership enforceable against it in accordance with their respective terms.

9.8 No Default.

To the best knowledge of the General Partners, neither the General Partners nor the Partnership is in material default with respect to any law, administrative rule, regulation, judgment, decision, order, writ, injunction, decree or demand of any court or any Authority, and the consummation of the transactions contemplated herein will not materially conflict with, or constitute a material breach of or material default under, any of the foregoing or any agreement or instrument applicable to the Partnership, the General Partners, or the Project.

9.9 No Litigation.

There is no litigation or claim pending or, to the best knowledge of the Administrative General Partner, threatened against or involving the Land, the Improvements, the Project, the General Partners, the Guarantors or the Partnership or assets of the General Partners or the Partnership (to the extent that any such litigation would materially adversely affect the Property, the Partnership or the General Partners' interest in the Partnership, or would have a material adverse effect on the Administrative General Partner's net worth), and, to the best knowledge of the Administrative General Partner, there are no facts or circumstances which could give rise to any such claim or litigation. Neither the Partnership nor the General Partners have any material liabilities that would be disclosed in a balance sheet that are not disclosed. The Partnership has received no notice of taking, condemnation, betterment or assessment, actual or proposed, with respect to the Land, the Improvements or the Project.

9.10 Insurance.

The Partnership has obtained the insurance required by Section 7.10 of this Agreement.

9.11 No Prior Syndication.

None of the Partnership, the General Partners nor the Project is subject to any outstanding agreement with any third party pursuant to which any such party has or may acquire any interest in the Project (other than the Loan Documents and tenant leases).

9.12 Compliance with Laws.

To the best knowledge of the Administrative General Partner and except as disclosed in applicable environmental reports, the Project complies in all material respects with all applicable laws, rules, restrictions, orders and regulations of all Authorities. Neither the Administrative General Partner nor, to the best knowledge of the Administrative General Partner and except as disclosed in applicable environmental reports any third party, has used, generated, manufactured, stored or disposed of on, under or about the Land or the Project or transported to or from the

Land or the Project any Hazardous Substances other than was needed for the normal operation and maintenance of the Project and any Hazardous Substances used were stored and disposed of in accordance with all applicable Hazardous Substances Laws.

9.13 Construction Budget.

The Construction Budget annexed as Exhibit C is a true, correct and complete copy of the estimated budget for the rehabilitation and development of the Project.

9.14 Utility Services.

All utility services necessary for the operation of the Project as anticipated in the Project Documents are available, or will be available prior to Completion.

9.15 Roads.

All roads necessary for the Project have been or will be completed and are, or will be upon Completion, sufficient for the full utilization of the Project.

9.16 No Regulatory Laws.

As of the Closing Date, the Project is not subject to any federal, state or local regulatory laws other than as set forth in the Extended Use Agreement and the Permitted Encumbrances as provided in the Project Documents.

9.17 Tax Returns.

All federal, state and local tax returns required to be prepared by the Partnership and the General Partners with respect to the Partnership, the Project and the General Partners, respectively, have been timely, duly and accurately completed and filed, and all federal, state and local taxes arising in connection with the Partnership and the ownership and operation of the Project have been paid in full, except, to the extent applicable, any taxes contested in good faith by the Partnership in accordance with all applicable procedures and requirements for tax contestation in such federal, state or local taxing authority arising in connection with the Partnership and the ownership and operation of the Project.

9.18 Nonrecourse Debt.

With the exception of the First Mortgage Loan prior to Permanent Loan Conversion and the Subordinate Loan, which is a recourse obligation of the Administrative General Partner, there shall be no direct or indirect personal liability or economic risk of loss with respect to any of the Partners or any Affiliates thereof for the repayment of the principal of or payment of interest on the Loans.

9.19 Tax-Exempt Notes.

The Project is being financed by \$36,000,000 issue of tax-exempt obligations that (i) will fund fifty percent (50%) or more of the aggregate basis of each of the buildings and the land attributable thereto (including for this purpose any investment proceeds earned with respect to

the Tax-Exempt Notes), (ii) will be financed with an obligation the interest on which is exempt from tax under Section 103 of the Code, (iii) is within the State's volume cap as provided in Section 146 of the Code, (iv) is not subject to the provisions of Section 146(i)(1) of the Code (i.e. is not refunding existing bonds), and (v) requires principal payments which will be applied within a reasonable period to redeem such obligations.

9.20 Qualified Census Tract.

The Project is located in a "qualified census tract" within the meaning of Code Section 42(d)(5)(B). Accordingly, the Project will be entitled to the 130% increase in basis permitted by Section 42 of the Code.

9.21 Eligible Basis and Housing Tax Credit Percentage.

At Completion, the Eligible Basis with respect to the acquisition of the Project is anticipated to be no less than \$29,798,312 and the Eligible Basis with respect to the rehabilitation of the Project is anticipated to be no less than \$24,309,661. The costs of acquiring and rehabilitating the Commercial Space will be excluded from the Eligible Basis for the purposes of calculating the Federal Housing Tax Credits. The Partnership has not made a valid election to lock-in the Housing Tax Credit Percentage for costs related to rehabilitation. The Housing Tax Credit Percentage for costs related to acquisition is 3.24%, the applicable percentage in effect in February, 2017.

9.22 Projected Housing Tax Credits.

The projected Federal Housing Tax Credits to the Project are \$1,753,098 per year for each of the years 2018-2027.

9.23 Housing Tax Credit Conditions.

To the best knowledge of the Administrative General Partner, the Project complies and during the Compliance Period will continue to comply with the Housing Tax Credit Conditions.

9.24 Development Fee.

The amount of the Development Fee and other compensation paid to the Developer and the Administrative General Partner and projected to be included in the Eligible Basis of the Project does not exceed the amount permitted by the Credit Agency. The portion of the Development Fee projected to be included in Eligible Basis relates solely to the acquisition and rehabilitation of the Project, excluding services rendered in connection with the Commercial Space. The Development Fee shall be apportioned among the Low-Income Units, and as so apportioned shall be fully earned and unconditionally payable with respect to each Low-Income Unit no later than the end of the first year of the Credit Period for such Low-Income Unit.

9.25 Accounting Method.

Each of the Partnership, the General Partners and any Affiliates thereof has used the accrual method of accounting since its formation and will continue to do so.

9.26 Federal Funds.

The Partnership has not, and will not, be financed directly or indirectly with any federally funded grants (as described pursuant to Section 42(d)(5) of the Code) which would require a reduction in Eligible Basis.

9.27 Credit Occupancy.

Not later than the close of the First Year and continuing throughout the Compliance Period, not less than one hundred percent (100%) of the Rental Units in the Project will be occupied by persons having sixty percent (60%) or less of area median income, as adjusted for family size and subject to future increases of a qualified occupant's income up to one hundred forty percent (140%) of the otherwise applicable limitation; provided that should an occupant's income increase to more than one hundred forty percent (140%) of the otherwise applicable limitation, the next available unit will be rented to a tenant whose income is at or below such limitation. In addition, not later than the close of the First Year of the Credit Period and continuing throughout the Compliance Period, the Manager's Unit shall be occupied by either a resident manager or a resident maintenance person, and such resident manager or resident maintenance person will be on call to provide and will provide maintenance services to the tenants of the Project. In the event that the Manager's Unit is not needed for a resident manager or resident maintenance person, the Manager's Unit may be used as a Low-Income Unit, with the consent of the Limited Partners.

9.28 Rents.

Gross rents (as defined in Section 42(g)(2)(B) of the Code) with respect to the Project charged to low-income occupants and to occupants who initially qualify as low-income occupants but whose income increases above the applicable limitation, will not exceed thirty percent (30%) of sixty percent (60%) of area median income, as determined under Section 42(g)(1) of the Code.

9.29 Occupancy of Units.

The Rental Units will be rented on other than a transient basis in a manner consistent with housing policy governing nondiscrimination, as evidenced by rules and regulations established by HUD, including HUD Handbook 4350.3 (or its successor). No such Rental Unit will be part of a hospital, nursing home, sanitarium, lifecare facility, trailer park or intermediate care facility for the mentally and/or physically handicapped. The tenant facilities of the Project will be available to all tenants on a comparable basis without separate fees.

9.30 Extended Use Agreement.

An Extended Use Agreement will be in effect with respect to the Project as of the end of each taxable year in which a Housing Tax Credit is allowed.

9.31 Residential Rental Property.

Eighty percent (80%) or more of the gross rental income from the Property for each taxable year of the Partnership shall be rental income from dwelling units.

9.32 Commercial Space; Commercial Space Revenue.

The Project does not and will not contain more than 1,705 square feet of Commercial Space. If in any year the rents received by the Partnership from occupancy of the Commercial Space exceed 20% of the Gross Cash Receipts generated with respect to the Project, the Administrative General Partner shall rebate to the Commercial Tenants, on a pro rata basis, rental income received by the Partnership in such year so as to ensure that in each year not less than 80% of the Gross Cash Receipts with respect to the Project will be derived from the Units.

9.33 Material Facts.

To the best knowledge of the Administrative General Partner, all material facts and transactions related to the Project have been disclosed to the Limited Partners and all materials furnished by the Administrative General Partner or its Affiliates to the Limited Partners with respect to the Project or the Limited Partners' investment in the Partnership are true and complete in all material respects. Without limiting the generality of the foregoing, the investment assumptions set forth in the Initial Economic Projections are reasonable in all material respects, subject only to such changes as shall have been disclosed in writing to, and approved in writing by, the Limited Partners.

9.34 Construction Monitoring Fee.

The Administrative General Partner shall cause the Partnership to pay the Construction Monitoring Fee.

9.35 Patriot Act.

(a) Each of the General Partners and each Guarantor (i) is in compliance with all applicable anti-money laundering laws, including, without limitations, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including without limitations, Executive Order 13224, (ii) is not, nor is any affiliate of any General Partner, on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) is not otherwise identified by a governmental entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, "U.S. Person" shall mean any United States Citizen, any permanent resident, alien, any entity organized under the laws of the United States (including foreign branches) or any person in the United States.

(b) The Administrative General Partner hereby represents that none of the General Partners, the Guarantors, the Developer or any Affiliates thereof or any beneficial owner thereof, nor any person or entity that is a party to any financing document being entered into in connection with the Project (i) is listed on the Specially Designated Nationals and Blocked Persons List ("SCN List") administered by the OFAC; (ii) is owned or controlled by the government of, is a national of, or is incorporated in, Burma (Myanmar), Cuba, Iran, or Sudan; (iii) is currently targeted by any economic sanctions issued under the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, all as amended, or any enabling legislation, regulations, or executive orders relating thereto (including but not limited to the

foreign assets control regulations at 31 C.F.R. Subtitle B, Chapter V); or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity that falls under any of (i)-(iii) above.

9.36 Project Loan Documents.

The General Partners shall not cause the Partnership to enter into any Loan Documents including any amendments or modifications thereto, unless such documents are in form and substance satisfactory to the Investor Limited Partner. The Asset Manager shall be provided at least ten (10) Business Days to review and approve any such Loan Documents, amendments or modifications before they are executed by the Partnership.

9.37 Bond, Surety Ratings Trigger.

In connection with the development of the Project, the Administrative General Partner will cause to be obtained by the Contractor at or before the Closing Date, one hundred percent (100%) payment and performance bonds issued by a surety acceptable to Investor Limited Partner and the Lenders ("**Bonding Company**"), in forms and amounts acceptable to the Project Lenders and the Investor Limited Partner. If at any point prior to lien-free completion and the expiration of all statutory lien periods, the credit rating, as determined by A.M. Best Company, Inc., for the Bonding Company is reduced below "B+" (a "**Floor Rating**") the Administrative General Partner will cause the Contractor to obtain substitute payment and performance bonds, each (1) from a Bonding Company with a credit rating at or above the Floor Rating, (2) having such form and substance as consented to by the Investor Limited Partner and Lenders, and (3) provided within such reasonable time as requested by the Investor Limited Partner. The Administrative General Partner will cause such language as is necessary to comply with the provisions of this paragraph to be added to the Construction Contract, by such amendment and/or language change order as consented to by the Investor Limited Partner and Lenders.

9.38 Property Tax Exemption.

The Partners acknowledge that the savings contemplated by the welfare exemption provided by Section 214(g) of the State Tax Code (the "**Property Tax Exemption**"), and as further defined in the rules and regulations of the BOE (the "**BOE Property Tax Rules**"), are necessary in order for the Partnership to meet its debt underwriting and financing assumptions and therefore to maintain the Project's affordability to low-income tenants. The Partners further acknowledge that they would not undertake to develop the Project and provide the affordable housing created by the Project unless the Property Tax Exemption was available to help underwrite the Loans. The Managing General Partner shall use best efforts to obtain and maintain the Property Tax Exemption for the Project during the life of the Partnership. Any savings to the Partnership and the Project attributable to the Property Tax Exemption shall be used in accordance with Section 214 of the State Tax Code and this Agreement.

9.39 [Intentionally Omitted].

9.40 Fair Market Value

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.

9.41 General Partner Fees

The General Partners believe that all fees paid to any General Partner or any Affiliate thereof in connection with the Partnership, including without limitation the Incentive Management Fee and the Partnership Management Fee will be reasonable in amount for services actually performed; *provided, however*, there can be no assurance that the IRS will not successfully challenge the reasonableness of such fees and the General Partners and their Affiliates shall have no liability therefor by virtue of this Section.

9.42 Related-Party Representations

No building constituting part of the Project was previously placed in service by the Partnership or by any “related person” with respect to the Partnership within the meaning of Section 42(d)(2)(B)(iii) of the Code. No person or group of persons which has on the Closing Date a direct or indirect ownership interest of 50% or more in the Partnership also has or ever had in the past a direct or indirect ownership interest of 50% or more in the Seller. The term “ownership interest” as used in the preceding sentence shall mean an interest in any of profits, losses or cash distributions (including fees based on available cash from operations or sale or refinancing other than fees paid to the Developer).

9.43 HAP Contract.

The Partners acknowledge that the revenues to be received pursuant to the HAP Contract are necessary for the financial viability of the Project. The Partners further acknowledge that the development of the Project as currently contemplated would not be possible in the absence of the HAP Contract. The General Partners shall undertake best efforts to maintain the HAP Contract for the term thereof.

ARTICLE 10
TRANSFER OF PARTNERSHIP INTERESTS

10.1 Generally.

Except as otherwise specifically provided herein, no Partner may transfer all or any portion of its Partnership Interest. Any Transfer of any interest in violation of this Article 10 shall be null and void and of no force whatsoever. Except as otherwise specifically provided herein, no Partner, without the prior written consent of the other Partner, shall withdraw from the Partnership. No additional Partners may be admitted to the Partnership without the Consent of the other Partners or as otherwise specifically permitted herein.

10.2 General Partners.

(a) Assignment. No General Partner may Transfer its Partnership Interest nor shall any interest in the General Partners be Transferred without the prior written consent of each Limited Partner in its sole and absolute discretion. In addition, no interest in any General Partner may be Transferred to an Entity that would cause such General Partner (or, if such General Partner is classified as a partnership for federal income tax purposes, any partner or member of such General Partner) to be a “tax-exempt controlled entity” as such term is defined in Section 168(h)(6)(F) of the Code.

(b) Pledge. Except in connection with the financing of the Project, no General Partner may pledge or encumber its Partnership Interest or its right to any distributions or payments under this Agreement without the prior written consent of the Limited Partners.

(c) Managing General Partner Withdrawal Rights. Notwithstanding anything contrary in this Agreement, at any time during the term of the Partnership, the Managing General Partner shall have the right to Withdraw as a Partner to the Partnership if (i) an Event of Default has occurred with respect to the Administrative General Partner that materially affects the Managing General Partner’s rights, duties or obligations under this Agreement, or (ii) the Partnership, at the direction of any Partner other than the Managing General Partner, or any Partner other than the Managing General Partner violates any applicable law, which violation materially and adversely affects the Partnership or the Project (collectively, the “**MGP Withdrawal Event**”); *provided, however,* that the Partners or the Partnership, as the case may be, shall have sixty (60) days to cure such default described in the foregoing clause (ii) upon receipt of notice from the Managing General Partner of the MGP Withdrawal Event. If the Partners or Partnership, as the case may be, fails to cure such default within such sixty (60) day period, then the Managing General Partner shall have the right to Withdraw from the Partnership. After the Withdrawal of the Managing General Partner pursuant to this Section 10.2(c), the Managing General Partner shall cease to have any rights or obligations under this Agreement but shall, provided that an Event of Default is not then outstanding with respect to the Managing General Partner, be entitled to payment by the Partnership of all amounts accrued and payable under the this Agreement as of the date of the Managing General Partner’s Withdrawal.

10.3 Limited Partners.

(a) Assignment. Notwithstanding Section 10.1, each Limited Partner may (i) with the consent of the General Partners, Transfer all or any portion of its Partnership Interest to any Person, and (ii) without the consent of the General Partners, Transfer all or any portion of (A) its Partnership Interest to an Affiliate of such Limited Partner or an entity controlled by an Affiliate of such Limited Partner, including an Investor Partnership or LLC, and (B) its Partnership Interest to AEGON, an Affiliate of AEGON or an AEGON Affiliated Insurance Company. The General Partners shall cooperate with the Limited Partners in facilitating such Transfer by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Project, the General Partners and the Affiliates of the General Partners and any other matters reasonably necessary in the judgment of the Limited Partners to facilitate and effect such Assignment at the sole expense of the assigning Limited Partner. Each Assignee of an Interest transferred in accordance with this Section 10.3 shall be admitted to the Partnership as a Substituted Partner only upon satisfaction of the conditions for substitution set forth in Section 10.3(b). Furthermore, all or any portion of the limited partnership interests or

membership interests in each Limited Partner (or successor or Assignee thereto) shall be freely transferable to any Person without the consent of the General Partners.

(b) Conditions to Substitution. An Assignee shall not become a Limited Partner hereunder and shall be considered only an Assignee and shall not have any other rights of a Partner other than its right to Net Income, Net Losses, Credits and distributions, unless and until the General Partners admit the Assignee as a Substituted Partner pursuant to this Section 10.3(b). An Assignee shall not become a Substituted Partner until (i) except for an Assignee that is described in Section 10.3(a)(ii) above, as to which the General Partners' consent to substitution shall not be required, the General Partners' consent to the substitution in their sole and absolute discretion, and (ii) the Assignee (A) pays all applicable state or local transfer taxes and reasonable legal expenses of the Partnership and the General Partners incurred in connection with its substitution; (B) submits a duly executed instrument of assignment, in a form satisfactory to the General Partners, (1) specifying the Partnership Interest assigned to it, and (2) setting forth such Limited Partner's intention that the Assignee succeed to such Limited Partner's Partnership Interest; and (C) executes a copy of this Agreement at the election of the General Partners. In the event that the General Partners' consent is not required for substitution (as to any Assignee that is described in Section 10.3(a)(ii) above), the General Partners hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such General Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 10.3(b). The admission of a Substituted Partner shall be effective as of the close of the day on which all of the applicable conditions to the substitution have been satisfied.

(c) Right to Withdraw. The Limited Partners shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to withdraw as a partner from the Partnership, whereupon the Limited Partners shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners.

10.4 No Release or Waiver.

Neither the provisions of, nor consummation of the transactions contemplated by, this Article 10 shall constitute a release or waiver of any claims or rights to which the Partnership or any Partner may have against the Partnership or any of the Partners as a consequence of a breach of this Agreement.

ARTICLE 11 REMOVAL OF GENERAL PARTNERS

11.1 Default.

If an Event of Default shall occur with respect to a General Partner (such General Partner is the "Defaulting General Partner"), the Limited Partners shall have the rights set forth in Section 11.3 in addition to any rights and remedies at law or in equity.

11.2 Event of Default.

An Event of Default shall occur upon the happening of any of the following events:

(a) The Bankruptcy of the General Partner, the Developer, the Guarantors, or any Affiliate of the General Partner; provided that a Bankruptcy of such Guarantor shall not trigger the rights set forth in Section 11.3 if: (1) a replacement guarantor is identified with thirty (30) days of the Bankruptcy, (2) such replacement Guarantor meets the net worth and liquidity requirements applicable to the Guarantor pursuant to this Agreement and the Guaranty, (3) such replacement Guarantor is acceptable to the Limited Partner in its sole discretion, and (4) such replacement Guarantor signs the Guaranty or such successive document as requested and approved by the Limited Partner;

(b) A material breach by a General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of such General Partner to cure such default within thirty (30) days after notice from any Limited Partner; *provided, however,* that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the General Partner to cure such default within sixty (60) days, provided that the General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the General Partner is diligently pursuing a cure;

(c) A breach by a Guarantor of any obligation under the Guaranty which the Guarantor fails to cure within any cure period applicable under the Guaranty;

(d) The failure of the General Partners to have taken all steps necessary to assure Completion on or before the Outside Completion Date within 45 days of notice of the determination by the Special Limited Partner that Completion is unlikely to occur by the Outside Completion Date;

(e) A material default by the Partnership or a General Partner under any Project Document, which the General Partners fail to cure or cause to be waived within any cure period applicable under the relevant Project Documents;

(f) A default under the Loan Documents, which the General Partners fail to cure or cause to be waived by the Lender within any cure period applicable under the relevant Loan Documents;

(g) The violation by a General Partner of any law, regulation or order applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; *provided, however,* that if such violation is of the type that can be cured, the failure to cure such violation within sixty (60) days after receipt of notice thereof from any Limited Partner; provided, further, that for so long as there is no imminent threat of material adverse effect to the Partnership, the Project or the Limited Partners in the reasonable discretion of the Limited Partners, if such violation is of the type that cannot be cured within such sixty (60) day period, the failure of such General Partner to cure such violation within ninety (90) days after receipt of notice thereof from any Limited Partner, provided that such General Partner demonstrates to the reasonable satisfaction of the Limited Partner that such General Partner is diligently pursuing a cure; or

(h) Fraud, misrepresentation or willful misconduct by a General Partner or the material violation by a General Partner of its fiduciary duties as a General Partner of the Partnership.

11.3 Remedies.

(a) For as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner shall have the right, but not the obligation, to remove the Defaulting General Partner and appoint itself or its affiliated designee as substitute General Partner and acquire in consideration of a cash payment of \$100 the Partnership Interest of the Defaulting General Partner exercisable by written Notice of Default to the General Partner of the Event of Default, stating in such notice the effective date of its removal. Notwithstanding anything to the contrary contained herein, the Defaulting General Partner may be removed prior to the expiration of any applicable cure period in the event the Special Limited Partner reasonably determines it is necessary to protect the interests of the Partnership or the Investor Limited Partner from immediate harm or loss. Upon its removal, the Defaulting General Partner shall forfeit its Partnership Interest and the Defaulting General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Defaulting General Partner provided in this Agreement. Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm the foregoing. Notwithstanding anything to the contrary contained in this Section 11.3, if the Defaulting General Partner is the Administrative General Partner, the Special Limited Partner shall have the right, but not the obligation, to remove the non-Defaulting General Partner on the terms of removal of the Defaulting General Partner under this Section 11.3. If, however, the Defaulting General Partner is not the Administrative General Partner, the Special Limited Partner shall not, absent an Event of Default by the Administrative General Partner, be entitled to remove the Administrative General Partner in connection with the removal of a Defaulting General Partner.

(b) The removal of the Defaulting General Partner and any non-Defaulting General Partner shall not affect any of the rights of the Defaulting General Partner, non-Defaulting General Partner or their Affiliates to (i) receive distributions or fees with respect to the period prior to the removal of such General Partners; (ii) receive fees earned or repayment of loans; nor (iii) affect the rights of the Developer to receive the Development Fee or payments pursuant to the Development Fee Note or this Agreement; provided that such payments shall be subject to set-off by the Partnership and the Limited Partners for any monies owed under the Guaranty, or hereunder and shall be further subject to set-off for Special Limited Partner's costs, including attorneys' fees, incurred in a contested removal action of the Defaulting General Partner and non-Defaulting General Partner. Neither the Defaulting General Partner, non-Defaulting General Partner nor any of their Affiliates shall have any right to receive any distributions, payments or fees of any kind with respect to the period after the removal of such General Partners. The Partnership may offset against any payments to the Defaulting General Partner or an Affiliate of the Defaulting General Partner, under this Section (including without limitation the Development Fee) any damages suffered by the Partnership as a result of any event which caused the removal or any breach of such Defaulting General Partner hereunder. Neither the Defaulting General Partner nor the non-Defaulting General Partner shall be liable for any

obligations or liabilities incurred by the Partnership from and after the time of their removal, nor shall any Guarantor be liable under the Guaranty for any liabilities incurred by the Partnership with respect to the removed General Partners from and after the time of their removal from the Partnership. Notwithstanding anything to the contrary contained herein, if the Development Fee Note is outstanding at the time of such removal, such Development Fee Note shall become immediately due and payable in full and shall be paid not pursuant to Article 5 but only by the Defaulting General Partner in the manner set forth in Section 3.1(a). Upon removal, the Defaulting General Partner and any non-Defaulting General Partner shall cease to have any managerial rights whatsoever under this Agreement and shall forthwith surrender and make available to the Special Limited Partner or its designee all Partnership records, books of account and accounts held by banks or other financial institutions on behalf of the Partnership.

(c) Notwithstanding the foregoing, for as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner or any Entity which is an affiliated designee of the Special Limited Partner (an “**SLP Affiliate**”), may elect to become an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner or such SLP Affiliate and such consent, the Special Limited Partner or such SLP Affiliate shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner or such SLP Affiliate (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 11.3(c). If the Special Limited Partner or such SLP Affiliate shall become an additional General Partner as herein stated, its Interest shall not be increased thereby (except that the Special Limited Partner may assign its Interest to such SLP Affiliate). In the event of the admission of the Special Limited Partner or such SLP Affiliate as a General Partner pursuant to this Section 11.3(c), and if there are then any other General Partners, the Special Limited Partner or such SLP Affiliate shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners, and the rights and authority of the remaining General Partners shall be deemed equally divided among them; *provided, however*, that unless the Managing General Partner is being removed, the foregoing shall not in any way affect the management duties of the Managing General Partner under Section 7.18 of this Agreement. At the election of the Special Limited Partner or such SLP Affiliate, the Interest of any of the remaining General Partners shall either (i) remain as General Partners with an aggregate authority and voting rights of 49%; or (ii) be converted to a special limited partner interest.

(d) Administrative General Partner Right to Remove Managing General Partner upon Default. Notwithstanding any other provisions in this Agreement, the Administrative General Partner, subject to the Investor Limited Partner’s consent, which consent shall not be unreasonably withheld, conditioned or delayed, may remove the Managing General Partner for any of the following reasons upon prior written notice to the Managing General Partner of the Administrative General Partner’s election to remove the Managing General Partner pursuant to this section and a reasonable opportunity to cure (not to exceed thirty (30) days). Concurrently with the removal of the Managing General Partner, the Administrative General Partner shall be permitted to locate a replacement partner qualified as a “managing general partner,” as such term is used in Section 214(g) of the State Tax Code, and as further defined in the BOE property tax rules, which replacement managing general partner shall be subject

to the approval of the Special Limited Partner, which approval shall not be unreasonably conditioned or delayed:

(i) for any intentional misconduct or failure to exercise reasonable care by the Managing General Partner with respect to any material matter in the discharge of its duties and obligations as Managing General Partner (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Property or assets of the Partnership);

(ii) the Managing General Partner shall have violated any material provisions of any agreements binding on or applicable to the Property or the Partnership or any applicable laws;

(iii) the Managing General Partner shall have conducted its own affairs or the affairs of the Partnership in such manner as would be likely, in the opinion of counsel to the Partnership to: (i) cause the termination of the Partnership for federal income tax purposes; or (ii) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation; or (ii) an event of Bankruptcy has occurred with respect to such Managing General Partner;

(iv) the Managing General Partner has ceased to qualify as a “managing general partner,” as such term is used in Section 214(g) of the State Tax Code, and as further defined in the BOE property tax rules or the Managing General Partner shall fail to procure the Property Tax Exemption for any year;

(v) The Managing General Partner fails to execute the certification required by Section 214(g) of the State Tax Code; or

(vi) The Managing General Partner shall act in a manner so as to cause a Guarantor to have any liability under any guaranties executed by the Guarantors in connection with the Project.

Upon such removal, the interest of the Managing General Partner shall be purchased by the Partnership, or, at the election of the Administrative General Partner, be purchased by the Administrative General Partner or its designee, including any such replacement managing general partner described above. The purchase price of the Managing General Partner’s interest shall be \$100. Upon the purchase of its Interest pursuant to this section, and without further action, the Managing General Partner shall cease to have any rights or obligations under this Partnership Agreement.

(e) The rights and remedies set forth in this Section 11.3 are non-exclusive and are in addition to any other rights and remedies the Limited Partners may have under this Agreement or at law or in equity. Specifically, notwithstanding the foregoing, the Limited Partners may seek the judicial appointment of a receiver for the Partnership.

ARTICLE 12
DISSOLUTION, LIQUIDATION AND TERMINATION OF PARTNERSHIP

12.1 Limitations.

The Partnership may be dissolved, liquidated and terminated pursuant to and only pursuant to the provisions of this Article 12, and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Partnership or a sale or partition of the Partnership and/or any or all of its assets. The parties hereto do hereby covenant and agree that, except as otherwise provided in this Article 12, neither the dissolution nor the Withdrawal from the Partnership for any other reason of any of the parties hereto nor the admission to the Partnership of a Substituted Partner pursuant to the provisions of Article 10 shall cause the Partnership to be dissolved, liquidated or terminated.

12.2 Exclusive Causes.

The following and only the following events shall cause the Partnership to be dissolved liquidated and terminated:

- (a) The Partnership shall exist in perpetuity and shall have no specific term;
- (b) The sale, condemnation or other disposition of all or substantially all of the Partnership's Property as a whole; *provided, however*, that if all or substantially all of the Property is sold in a sale with a portion of the purchase price payable in installments, the Partnership shall not be dissolved, liquidated or terminated until all payments thereunder have been received by the Partnership and all claims in connection therewith have been resolved;
- (c) The agreement of all of the Partners;
- (d) Entry of a decree of judicial dissolution under the Act; or
- (e) The happening of any of the events set forth in the Act that affects any then sole remaining General Partner and thereby results in the dissolution of the Partnership by operation of law unless (i) at the time there is at least one General Partner who is hereby authorized to continue the business of the Partnership and, in part, does so, or (ii) each of the remaining Partners elects in writing within ninety (90) days to continue the Partnership and elect a new General Partner.

12.3 Liquidation.

In all cases of dissolution of the Partnership, the business of the Partnership shall be continued to the extent necessary to allow an orderly winding up of its affairs, including the liquidation and termination of the Partnership pursuant to the provisions of this Section and Sections 12.4 and 12.5, as promptly as practicable thereafter, and each of the following shall be accomplished:

- (a) The Liquidating Partner shall cause to be prepared a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, a copy of which statement shall be furnished to the other Partners.

(b) The property and assets of the Partnership shall be liquidated by the Liquidating Partner as promptly as possible, but in an orderly and businesslike manner. In the event that the Partnership elects to sell assets to third parties, the Limited Partners shall have the right of first refusal to purchase any or all of the assets of the Partnership for their fair market value (at the price determined in Section 13.13). In all other cases, the Liquidating Partner may, in the exercise of its business judgment, determine not to sell all or any portion of the property and assets of the Partnership, in which event such property and assets shall be distributed in kind pursuant to Section 12.3(d).

(c) Any gain or loss realized by the Partnership upon the sale of its property and assets shall be deemed recognized and allocated to the Partners in the manner set forth in Article 6. To the extent that an asset is to be distributed in kind, such asset shall be deemed to have been sold at its fair market value on the date of distribution, the gain or loss deemed recognized upon such deemed sale shall be allocated in accordance with Article 6 and the amount of the distribution shall be considered to be such fair market value of the asset. If the Partners cannot agree upon such fair market value, the same shall be determined by appraisal as provided in Section 13.13.

(d) The proceeds of sale and all other assets of the Partnership, including Operating Cash Flow and Extraordinary Cash Proceeds of the Partnership, shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of the debts and liabilities of the Partnership and the expenses of liquidation;

(ii) To the setting up of any reserves which the Liquidating Partner shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Partnership or the Partners arising out of or in connection with the Partnership. Such reserves shall be held for such period as the Liquidating Partner shall deem advisable, and upon the expiration of such period, any remaining balance shall be distributed as provided in clause (iii) of this Section; and

(iii) To the Partners in accordance with their positive Capital Account balances (after taking into account the allocations made pursuant to Section 6.1) in compliance with Regulations § 1.704-1(b)(2)(ii)(b)(2).

(e) Distributions in liquidation shall be made by the end of the Fiscal Year in which liquidation occurs or, if later, within ninety (90) days of the liquidation event and shall otherwise comply with Regulations Section 1.704-1(b).

12.4 Liquidating Partner.

The Liquidating Partner shall, upon the final dissolution of the Partnership, file an appropriate certificate to such effect in the proper governmental office or offices under the Act as then in effect. Notwithstanding the foregoing, each Partner, upon the request of the Liquidating Partner, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Partner shall reasonably request to effectuate the proper

dissolution, liquidation and termination of the Partnership, including the winding up of the business of the Partnership.

12.5 Termination of Partnership.

The Partnership shall be terminated upon (a) completion of any dissolution and liquidation thereof pursuant to the provisions of this Article 12, and (b) preparation, execution, acknowledgment, filing, recordation, publication, delivery and/or cancellation of any instruments, documents or statements if and as required by the Act, the Code or any other applicable laws.

ARTICLE 13 MISCELLANEOUS

13.1 Notices.

Notices shall be in writing and shall be either (a) given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by electronic copy, promptly confirmed in writing (which confirmation writing may be via e-mail from the party so noticed), or (c) sent by personal delivery by a nationally recognized courier service (e.g., Federal Express) for next day delivery. The current addresses and telecopy numbers of the Partners are as follows:

If to the Managing General Partner:	AOF St. Marks LLC 7755 Center Ave., Suite 575 Huntington Beach, CA 92647 Attn: Raman Nayar Facsimile: (714) 891-2098 E-mail: ray.nayar@aofpacific.com
If to the Administrative General Partner:	St. Marks Preservation GP, LLC c/o Fairstead Affordable LLC 152 West 57 th Street, 36 th Floor New York, NY 10019 Attn: John Tatum and Jeff Goldberg E-mail: jtatum@fairsteadcapital.com E-mail: jgoldberg@fairsteadcapital.com
With a copy to:	Downs Pham & Kuei LLP One Embarcadero Center, Suite 500 San Francisco, CA 94111 Attn: Gary P. Downs, Esq. Facsimile: (415) 477-6748
If to the Investor Limited Partner:	Aegon LIHTC Fund 52, LLC c/o AEGON USA Realty Advisors, LLC Mail Drop 5553

4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
Facsimile: (319) 355-8030
E-mail: lihtcreporting@aegonusa.com

With a copy to:

Holland & Knight LLP
10 St. James Ave., 11th Floor
Boston, MA 02116
Attn: Jonathan I. Sirois, Esq.
Facsimile: (617) 523-6850

If to the Special Limited Partner:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
Facsimile: (319) 355-8030
E-mail: lihtcreporting@aegonusa.com

Any Partner may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section. A Notice sent in compliance with the provisions of this Section shall be deemed delivered when actually received by the party to whom sent.

13.2 Entire Agreement; Modifications.

(a) This Agreement, including all Exhibits attached hereto, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

(b) No changes in, additions to or modifications of this Agreement shall be valid or of any force unless such change or modification is in writing signed by each of the Partners.

13.3 Section Headings.

The Section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

13.4 Parties in Interest.

Except as expressly provided to the contrary herein, this Agreement shall be binding upon each successor to, and assign of, the parties, and inure to the benefit of each permitted successor to, and assign of, the parties.

13.5 Further Assurances.

Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other reasonable action, as may be required by law or necessary or useful effectively to carry out the purposes of this Agreement.

13.6 Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute a single agreement, binding on all of the parties hereto, their successors and their assigns. Each counterpart signature page so executed may be attached to a master counterpart of this Agreement to be kept by the Partnership at the principal office of the Partnership and such master counterpart as well as any and all other counterparts executed by any of the parties hereto shall constitute a single agreement.

13.7 Legal Action, Jurisdiction, Service and Fees.

In the event of any controversy, claim or dispute between the parties hereto, or between a party hereto and the Partnership, arising out of or relating to this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable expenses, including attorneys' fees and costs. Any legal action or proceeding with respect to this Agreement may be brought in the federal courts of the State of California, and by execution and delivery of this Agreement, each Partner and any other party hereto hereby accepts, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Partner and other party hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to such Partner and other party hereto at his address set forth in this Agreement, and service so made shall be deemed complete seven (7) days after the same shall have been so mailed.

13.8 Severability.

Any provisions of this Agreement which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Agreement.

13.9 Governing Law.

This Agreement, including its existence, validity, construction and operating effect, and the rights of each of the parties hereto, shall be governed by and construed in accordance with the internal laws of the State of Delaware without regard to conflict of laws principles.

13.10 Extension Not a Waiver; Timing of Performance.

No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Partner or the Partnership shall impair or affect the right of such Partner or the Partnership thereafter to exercise the same. Any extension of time or other indulgence granted to a Partner hereunder shall not otherwise alter or affect any power, remedy or right of any other Partner or of the Partnership, or the obligations of the Partner to whom such extension or indulgence is granted. Whenever any obligation contained in this Agreement (which is an obligation solely of this Agreement and is not an obligation controlled by another Project Document) shall be stated to be required on a day that is not a Business Day, such obligation shall be due on the first Business Day immediately thereafter.

13.11 Construction.

This Agreement has been negotiated at arm's length and between parties who are sophisticated and knowledgeable in the subject matter hereof and who have been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decisions that would require interpretation of any ambiguity in this Agreement against the party that has drafted it shall not apply and are hereby waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent of the parties and the purposes of the Partnership. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership.

13.12 Consents.

Any consent or approval to any act or matter required under this Agreement must be in writing and may not be unreasonably withheld or delayed, except as otherwise specifically provided herein, and shall apply only with respect to the particular act or matter to which such consent or approval is given, and shall not relieve any Partner from the obligation to obtain the consent or approval, as applicable, wherever required under this Agreement to any other act or matter. The Limited Partners have delegated to the Asset Manager any consent or approval rights granted to the Limited Partners pursuant to this Agreement.

13.13 Appraisal.

Any appraisal required to be made pursuant to this Agreement shall be made as follows:

(a) An appraisal shall be determined by mutual agreement of the parties or, in the absence of such agreement, as follows: the Administrative General Partner and the Limited Partners shall select a mutually acceptable appraiser. In the event the parties are unable to agree upon an appraiser, the Administrative General Partner and the Limited Partners shall each select an appraiser. If the difference between the two appraisals is within 10% of the lower of the two appraisals, the subject value shall be the average of the two appraisals. If the difference between the two appraisals is greater than 10% of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser. If the two appraisers are unable jointly to select a third appraiser, either the Administrative General Partner or the Limited Partners may, upon written notice to the other, request that the appointment be made by the American Arbitration Association or its designee. If the third appraisal is less than either of the first two, then the subject value shall be the average of the two lowest appraisals. If the third appraisal is greater than the first two, then the subject value shall be the average of the two highest appraisals. If the

third appraisal falls between the previous two appraisals, the subject value shall be the value established by the third appraisal.

(b) The Administrative General Partner and the Limited Partners shall share the cost equally of any appraiser jointly selected or shall pay the costs of the appraiser they each select and shall share the cost equally of any third appraiser. Any appraiser selected pursuant to this Section 13.13 shall be an MAI (Member of the Appraisal Institute) certified appraiser with at least five (5) years of experience in appraising property of the same type as the Project.

13.14 Disclosure of Due Diligence, Books, Records and Reports; Further Assurances Relating to a Transfer.

The Limited Partners shall have the right to disclose any information received by the Limited Partners in conjunction with their investment in the Partnership to (i) any entity holding, either directly or indirectly, an ownership interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, (ii) any entity who is considering acquiring, either directly or indirectly, an interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, and (iii) the Asset Manager and their advisors, consultants, attorneys, accountants and other similar agents. Such disclosure may include, without limitation, any or all documents set forth in Exhibit L, the books and records of the Partnership maintained in accordance with the provisions of Section 8.1, and any tax returns or financial reports provided to the Limited Partners pursuant to Sections 8.2 and 8.3. The General Partners acknowledge and agrees that the Investor Limited Partner may elect to transfer its interest to another investment entity sponsored by AEGON USA Realty Advisors, LLC. The General Partners agree to execute or obtain and deliver any amendments and supplements to this Partnership Agreement, legal opinions, title policy endorsements, ALTA Surveys, estoppel certificates, and other closing documents and otherwise to cooperate with the Investor Limited Partner in order to satisfy the due diligence requirements of any potential investor and/or so to effect the transfer of the interest of the Investor Limited Partner in the Partnership, and the Investor Limited Partner will bear actual third party legal and accounting costs incurred by the General Partners in excess of actual third party legal and accounting costs incurred by the General Partners for the review and completion of the form of amendment and assignment and assumption agreement attached as Exhibit N.


[NO FURTHER TEXT ON PAGE; SIGNATURE PAGES DESIGNATED S-1 AND S-2 FOLLOW IMMEDIATELY HEREAFTER]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

ADMINISTRATIVE GENERAL PARTNER:

ST. MARKS PRESERVATION GP, LLC, a Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware limited liability company, its Sole Member and Manager

By:  _____
Name: John Tatum
Title: Authorized Signatory

MANAGING GENERAL PARTNER:

AOF ST. MARKS LLC, a California limited liability company

By: AOF/Pacific Affordable Housing Corp., a California nonprofit public benefit corporation, its Sole Member and Manager

By: _____
Ajay Nayar
Vice President

INVESTOR LIMITED PARTNER:

AEGON LIHTC FUND 52, LLC, a Delaware limited liability company

By: Aegon Community Investments 52, LLC, a California limited liability company, its Managing Member

By: _____
Name:
Its:

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By: _____
Ajay Nayar
Vice President

INVESTOR LIMITED PARTNER:


AEGON LIHTC FUND 52, LLC, a Delaware limited liability company

By: Aegon Community Investments 52, LLC, a California limited liability company, its Managing Member

By: _____ **CFD**
Name: **LYNN C. AMBROSY**
Its: **VICE PRESIDENT**

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE
HOUSING, INC., a California corporation

By:  _____ **CFD**
Name: **ARON HANSEN**
Its: **VICE PRESIDENT**

WITHDRAWING LIMITED PARTNER:

ST. MARKS INVESTOR, LLC, a Delaware
limited liability company

By: _____
Name: Jeffrey Goldberg
Title: Authorized Signatory

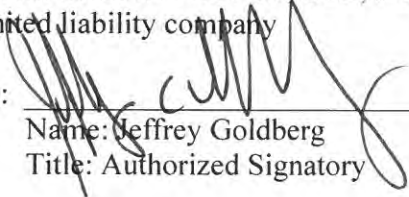
SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE
HOUSING, INC., a California corporation

By: _____
Name:
Its:

WITHDRAWING LIMITED PARTNER:

ST. MARKS INVESTOR, LLC, a Delaware
limited liability company

By:  _____
Name: Jeffrey Goldberg
Title: Authorized Signatory

LEGAL DESCRIPTION OF LAND

Real property in the City of Oakland, the County of Alameda, State of California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lots 1, 2, 3, 4 and 28, in Block 173, as said Lots and Block are shown on the Kellerberger's Map of Oakland on file in the Office of the County Recorder of Alameda County, described as follows:

Beginning at the intersection of the North line of 12th Street, with the Eastern line of Franklin Street, running thence Easterly along said line of 12th Street, 100 feet; thence at right angles Northerly 100 feet; thence at right angles Westerly 100 feet to said line of Franklin Street; thence Southerly along the last named line, 100 feet to the point of beginning.

INITIAL ECONOMIC PROJECTIONS

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Funded	Non-depreciable
LP Equity	16,543,187					
Citi	27,400,000					
0	-					
0	-					
0	-					
0	-					
0	-					
0	-					
0	-					
Other	1,499,818					
Cashflow From Operations	131,581					
Interest Income / GIC	-					
GP Equity	-					
Deferred Developer Fee	5,907,503					
GP Loan	3,391,105					
TOTAL SOURCES OF FUNDS	54,873,192					
Surplus (Deficit)	-					
ACQUISITION COSTS						
Acquisition Land	2,600,000	x	x	x	x	2,600,000
Acquisition Building	26,013,981	26,013,981	26,013,981	x	x	x
Acquisition Building Commercial	1,000,000			x	x	x
Acquired Reserves	136,019	x	x	x	x	136,019
Other Acquisition Costs	104,056	104,056	104,056	x	x	-
Other Acquisition Costs	202,851	202,851	202,851	x	x	-
HARD COSTS						
Construction	8,427,406	8,427,406	x	8,261,695	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x
Contractor Overhead	238,281	238,281	x	233,863	x	x
Contractor Profit	441,709	441,709	x	433,519	x	x
Performance Bonds	102,575	102,575	x	100,673	x	x
General Requirements	768,976	768,976	x	754,718	x	x
Furnishings	510,000	510,000	x	510,000	x	x
Site Improvements	-	-	x	-	x	-
Permits and Fees	-	-	x	-	x	x
Contingency (% of Costs or Input)	25% 2,480,689	2,480,689	x	2,434,694	x	x
Commercial/Nonresidential Costs	-	-	x	-	x	x
Interior Demolition	-	-	x	-	x	x
Building Demolition	-	x	x	x	x	-
Parking	-	-	x	-	x	x
Off-site Improvements	-	x	x	x	x	-
Other Costs	109,375	109,375		107,347		
Non Depreciable Site Costs	-	-		-		-
ARCHITECTURAL AND ENGINEERING						
Architect	922,398	922,398	x	905,607	x	x
Survey & Engineering	80,605	80,605	x	79,249	x	x
Environmental	-	-	x	-	x	x
Soils	-	-	x	-	x	x
Other: Other 3rd Parties; Energy Audit; Permits and Fees	277,619	277,619		277,162		-
SOFT COSTS						
Relocation	563,500	563,500	x	563,500	x	x
Appraisal	-	-	x	-	x	x
Market Study	-	-		-		
Organizational	x	x	x	-		x
Professional	296,005	-		-	296,005	
Accounting	-	-		-	x	x
Cost Certification	10,000	10,000		10,000	x	x
Construction Period Taxes	275,358			-	275,358	x
Construction Period Insurance	-	-		-	-	x
Marketing (monthly term if not 180 mths)	8	x	x	x	-	x
Contingency	50,000	50,000		50,000	x	x
Tax Credit Fees	61,567	x	x	x	61,567	x
Syndication	65,710		x	x	x	65,710
Other Soft: Depreciable Expenses	535,103	535,103		287,523		-
Other Soft: Funded/Non-Depreciable Expenses	285,245			-	-	285,245
FEES						
Developer Fee - Rehabilitation	2,471,389	2,471,389	x	2,471,389	x	-
Developer Fee - Acquisition	3,436,114	3,134,436	3,134,436	x	x	301,678
Other Consultant	-	-		-	-	
Other Fees	-	-		-	-	
RESERVES						
Replacement Reserves		x	x	x	x	-
Rent Up Reserve		x	x	x	x	-
Operating Reserve (No. Mths or Input)	3 542,395	x	x	x	x	542,395
Other Reserves: Seismic & Construction		x	x	x	x	-
FINANCING						
Loan 1 - Fees and Legal	197,488		x	-	197,488	x
Loan 2 - Fees and Legal			x	-	-	x
Loan 3 - Fees and Legal			x	-	-	x
Loan 4 - Fees and Legal			x	-	-	x
Loan 5 - Fees and Legal			x	-	-	x
Loan 6 - Fees and Legal			x	-	-	x
Construction Only	23,400	23,400	x	23,400	x	x
Other Loan Fees and Legal	447,979	342,988	342,988	-	104,991	x
Interest						x
Interest Override	1,195,400	1,195,400		1,195,400		x
TOTAL	54,873,192	50,006,736	29,798,312	18,699,739	935,410	3,931,047
Total Cost/Unit	\$537,972.48					
Hard Costs/Unit	\$103,905.14					
Total Cost/Square Footage	\$1,115.40					
50% Test						
Depreciable basis +Land		52,606,736				
Tax-exempt Bonds		37,500,000				
% of Eligible Basis & Land financed by Tax-Exempt Bonds		71.28%				
50% Test Met		Yes				
	Total	Depreciable	Acquisition	Rehab/New Construction	Funded	

TAX CREDIT CALCULATION

	Rehab/New Construction	Acquisition	Federal HTC	State HTC	N/A
Basis	18,699,739	29,798,312	18,418,778	18,418,778	
Less:					
Below Market Federal Funds	-	x	x	x	
Other	-	x	x	x	
Other	-	x	x	x	
	-	x	x	x	
Qualified Basis	18,699,739	29,798,312	18,418,778	18,418,778	
Percent Low-Income	100.00%	100.00%			
Basis Boost	130%	100%			
Tax Exempt Use			0%	0%	
Eligible Basis	24,309,661	29,798,312	18,418,778	18,418,778	
Credit Rate	3.24%	3.24%	0.00%	0.00%	
Annual Credit (Calculated)	787,633	965,465	-	-	
Credit Allocation Amount	NA			-	-
Minimum of Allocation or Calculated Credit	787,633	965,465	-	-	-
Limited Partner Share	99.99%	99.99%	99.99%	0.00%	100.00%
Limited Partner Credit	787,554	965,369	-	-	-
Investor Pricing	\$ 0.94	\$ 0.94	\$ -	\$ -	\$ -
Limited Partner Equity	7,403,010	9,074,466	-	-	-
Special Limited Partner Share	0.00%	0.00%	0.00%	0.00%	0.00%
Special Limited Partner Credit	-	-	-	-	-
Special Limited Partner Pricing	\$ 0.94	\$ 0.94	\$ -	\$ -	\$ -
Special Limited Partner Equity	-	-	-	-	-

Operations Summary

		<u>Total</u>		<u>Haircut Operations</u>	
Potential Gross Residential Income					
LIHTC Income		2,480,304		0	Decrease by x%
Market Rate Income		0		0	
<i>Other Income</i>					
Laundry/Vending		6,120		-	
Tenant Charge		2,700		-	
0		-		-	
Effective Gross Residential Income		2,489,124		0	
Residential Vacancy					
LIHTC Vacancy	5.00%	(124,015)		0	
Market Rate Vacancy	7.00%	0		0	
Other Income Vacancy	0.00%	0		0	
Effective Gross Rental Income		2,365,109		0	
Commercial Income		69,552		0	
Commercial Vacancy	10.00%	(6,955)		0	
Effective Gross Commercial Income		62,597		0	
Total Effective Gross Income		2,427,706		0	
Less: Operating Expenses (incl. Taxes & Mgt Fees)		(610,811)		0	Increase by x%
Net Operating Income		1,816,895		0	
Replacement Reserves		(30,600)		0	\$XXX per unit
Cash Flow avail for Debt Service		1,786,295		0	
Less: Debt Servicing Fees (if Applicable)		0		0	
Net Available for Debt Service after Fees		1,786,295		0	
Debt Service	4.350%	1,525,666		1,525,666	
Debt Service Coverage Ratio (Net of Debt svc fees)		1.171		0.000	
Expense Coverage Ratio		3.784945378			
Maximum Loan Amount @	1.15	27,896,290		0	(27,896,290) (Gap)
Annual Payment		1,553,300		0	
Breakeven Occupancy		85%			

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Upon Completion					Existing					
						Gross LIHTC Max	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent
LIHTC						Escalations 2.00% Vacancy 5.00%										
50%	1	50	450	22,500	36,560	914	2,058		2,058	102,900	1,234,800			0.00	-	-
60%	1	49	450	22,050	43,840	1,096	2,058		2,058	100,842	1,210,104			0.00	-	-
60%	2	1	930	930	52,640	1,316	2,950		2,950	2,950	35,400			0.00	-	-
MGR	1	1	610	610	-	-	-		-	-	-			0.00	-	-
MGR	1	1	1300	1,300	-	-	-		-	-	-			0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
Total		102		47,390						206,692	2,480,304			-	-	-

MARKET						Escalations 2.00% Vacancy 7.00%										
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
														0.00	-	-
Total		0		-						-	-			-	-	-
Total Units		102		47,390						206,692	2,480,304			-	-	-
Common Areas																
Circulation																
Total Residential SF				47,390												
Low-Income Ratio		100.00%		100.00%												

MISCELLANEOUS OTHER INCOME						Monthly Per Unit	Monthly Income	Annual Income	Annual Rent
Escalations 2.00% Vacancy 0.00%									
Laundry/Vending							6,120		
Tenant Charge							2,700		
Total Miscellaneous Other Income						\$7.21	735	8,820	-

COMMERCIAL INCOME						Total Sq.Ft.	Monthly Rent per Sq. Ft.	Monthly Rent	Annual Rent	Monthly Rent per Sq. Ft.	Monthly Rent	Annual Rent
Escalations 2.00% Vacancy 10.00%												
Souza			1,340			\$3.825	5,126	61,512				
Lotus			466			\$ 1.44	670	8,040				
Other												
Other												
Parking Income												
Total Commercial Income			1,806					69,552				-

OPERATING EXPENSES

	Sensitivity Percent	Upon Completion			Existing		
		Total	Per Unit	Adjusted Total	Total	Per Unit	Adjusted Total
VARIABLE							
Marketing	100%	500	4.90	500		-	-
Administration	100%	54,130	530.69	54,130		-	-
Maintenance	100%	100,095	981.32	100,095		-	-
Utilities	100%	105,100	1,030.39	105,100		-	-
Other	100%	3,600	35.29	3,600		-	-
TOTAL VARIABLE		263,425	2,582.60	263,425		-	-
FIXED							
Insurance	100%	27,705	271.62	27,705		-	-
Payroll	100%	199,484	1,955.73	199,484		-	-
Other	100%	-	-	-		-	-
TOTAL FIXED		227,189	2,227.34	227,189		-	-
Project Operating Expenses		490,614	4,809.94	490,614		-	-
Escalations				3.00%			
Real Estate Taxes	100%	47,366	464.37	47,366			
Real Estate Tax Escalation				3.00%			
Property Management Fee Percent or Property Management Fee Dollars		3.00%					
		-	-	72,831			-
Total Operating Expense Including Property Mgmt Fee and RE Taxes				610,811			-
Replacement Reserve				30,600			-
Total Operating Expense Including Property Mgmt Fee				641,411	\$ 6,288 (per unit)		-
		<u>Per Unit</u>		<u>Total</u>			
Replacement Reserve		300.00		30,600			
Start Date - input							
Start Date - Completion				Oct-18			
Annual Escalation				3.00%			
% Withdrawn				15.00%			
Withdrawn Every				5 years			
Interest on Reserve Deposits				2.00%			

CASH FLOW FROM OPERATIONS

	LIHTC	LIHTC	Market	Market	Other	Other	Commercial	Commercial	Net	Operating	Real Estate	Calculated	Paid	Net Operating	Replacement	Cash	To Dev	From	Cash	Hard
	Income	Vacancy	Income	Vacancy	Income	Vacancy	Income	Vacancy	Receipts	Expenses	Taxes	Property	Property	Income	Reserves	Flow	Budget	Reserves	Flow	DSC
2017	1,446,844	(72,345)	-	-	5,145	-	30,107	(3,010)	1,406,741	286,188	27,629	42,202	42,202	1,050,722	-	1,050,722	131,581	-	919,141	1.18
2018	2,480,304	(124,020)	-	-	8,820	-	51,612	(5,160)	2,411,556	490,608	47,364	72,347	72,347	1,801,237	7,650	1,793,587	-	-	1,793,587	1.18
2019	2,529,910	(126,496)	-	-	8,996	-	52,644	(5,264)	2,459,790	505,326	48,785	73,794	73,794	1,831,885	31,518	1,800,367	-	-	1,800,367	1.18
2020	2,580,508	(129,025)	-	-	9,176	-	53,697	(5,370)	2,508,986	520,486	50,249	75,270	75,270	1,862,981	32,464	1,830,517	-	-	1,830,517	1.20
2021	2,632,118	(131,606)	-	-	9,360	-	54,771	(5,477)	2,559,166	536,101	51,756	76,775	76,775	1,894,534	33,437	1,861,097	-	-	1,861,097	1.22
2022	2,684,760	(134,238)	-	-	9,547	-	55,866	(5,587)	2,610,348	552,184	53,309	78,310	78,310	1,926,545	34,441	1,892,104	-	-	1,892,104	1.24
2023	2,738,455	(136,923)	-	-	9,738	-	56,983	(5,698)	2,662,555	568,750	54,908	79,877	79,877	1,959,020	35,474	1,923,546	-	-	1,923,546	1.26
2024	2,793,224	(139,661)	-	-	9,933	-	58,123	(5,812)	2,715,807	585,813	56,555	81,474	81,474	1,991,965	36,538	1,955,427	-	-	1,955,427	1.28
2025	2,849,088	(142,454)	-	-	10,132	-	59,285	(5,929)	2,770,122	603,387	58,252	83,104	83,104	2,025,379	37,634	1,987,745	-	-	1,987,745	1.30
2026	2,906,070	(145,304)	-	-	10,335	-	60,471	(6,047)	2,825,525	621,489	60,000	84,766	84,766	2,059,270	38,763	2,020,507	-	-	2,020,507	1.32
2027	2,964,191	(148,210)	-	-	10,542	-	61,680	(6,168)	2,882,035	640,134	61,800	86,461	86,461	2,093,640	39,926	2,053,714	-	-	2,053,714	1.35
2028	3,023,475	(151,174)	-	-	10,753	-	62,914	(6,291)	2,939,677	659,338	63,654	88,190	88,190	2,128,495	41,124	2,087,371	-	-	2,087,371	1.37
2029	3,083,945	(154,197)	-	-	10,968	-	64,172	(6,417)	2,998,471	679,118	65,564	89,954	89,954	2,163,835	42,358	2,121,477	-	-	2,121,477	1.39
2030	3,145,624	(157,281)	-	-	11,187	-	65,455	(6,546)	3,058,439	699,492	67,531	91,753	91,753	2,199,663	43,628	2,156,035	-	-	2,156,035	1.41
2031	3,208,536	(160,427)	-	-	11,411	-	66,764	(6,676)	3,119,608	720,477	69,557	93,588	93,588	2,235,986	44,937	2,191,049	-	-	2,191,049	1.44
2032	3,272,707	(163,635)	-	-	11,639	-	68,099	(6,810)	3,182,000	742,091	71,644	95,460	95,460	2,272,805	46,285	2,226,520	-	-	2,226,520	1.46

CASH WATERFALL

	1		2		3		4		5		6		7		8		9			
	Citi		LP Asset		MGP Pship		Deferred Developer		GP Loan		Operating / Other		Incentive Management							
	Cash Flow	Cash Flow	Cash Flow	Mgmt Fee	Cash Flow	Mgmt Fee	Cash Flow	Fee	Cash Flow	GP Loan	Cash Flow	Reserve	Cash Flow	Fee	Cash Flow	0	Cash Flow	0	Cash Flow	
	4	5	6	7	8	9 #	11	12 #	14	15 #	17	18 #	20	21 #	23	24 #	26	27 #	29	30 #
2017	919,141	889,972	29,169	2,917	26,252	5,833	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	
2018	1,793,587	1,525,666	267,921	5,150	262,771	10,300	252,471	252,471	0	-	0	-	0	-	0	-	0	-	0	
2019	1,800,367	1,525,666	274,701	5,305	269,396	10,609	258,787	258,787	-	-	-	-	-	-	-	-	-	-	-	
2020	1,830,517	1,525,666	304,851	5,464	299,387	10,927	288,460	288,460	-	-	-	-	-	-	-	-	-	-	-	
2021	1,861,097	1,525,666	335,431	5,628	329,803	11,255	318,548	318,548	-	-	-	-	-	-	-	-	-	-	-	
2022	1,892,104	1,525,666	366,438	5,796	360,642	11,593	349,049	349,049	-	-	-	-	-	-	-	-	-	-	-	
2023	1,923,546	1,525,666	397,880	5,970	391,910	11,941	379,969	379,969	-	-	-	-	-	-	-	-	-	-	-	
2024	1,955,427	1,525,666	429,761	6,149	423,612	12,299	411,313	411,313	-	-	-	-	-	-	-	-	-	-	-	
2025	1,987,745	1,525,666	462,079	6,334	455,745	12,668	443,077	443,077	-	-	-	-	-	-	-	-	-	-	-	
2026	2,020,507	1,525,666	494,841	6,524	488,317	13,048	475,269	475,269	-	-	-	-	-	-	-	-	-	-	-	
2027	2,053,714	1,525,666	528,048	6,720	521,328	13,439	507,889	507,889	-	-	-	-	-	-	-	-	-	-	-	
2028	2,087,371	1,525,666	561,705	6,921	554,784	13,842	540,942	540,942	-	-	-	-	-	-	-	-	-	-	-	
2029	2,121,477	1,525,666	595,811	7,129	588,682	14,258	574,424	574,424	-	-	-	-	-	-	-	-	-	-	-	
2030	2,156,035	1,525,666	630,369	7,343	623,026	14,685	608,341	608,341	-	-	-	-	-	-	-	-	-	-	-	
2031	2,191,049	1,525,666	665,383	7,563	657,820	15,126	642,694	498,964	143,730	107,798	35,932	-	35,932	32,339	3,593	-	3,593	-	3,593	
2032	2,226,520	1,525,666	700,854	7,790	693,064	15,580	677,484	-	677,484	508,113	169,371	-	169,371	152,434	16,937	-	16,937	-	16,937	
2033	2,262,450	1,525,666	736,784	8,024	728,760	16,047	712,713	-	712,713	534,535	178,178	-	178,178	160,360	17,818	-	17,818	-	17,818	
2034	2,298,839	1,525,666	773,173	8,264	764,909	16,528	748,381	-	748,381	561,286	187,095	-	187,095	168,386	18,709	-	18,709	-	18,709	

10		11		12		13		14		15		16		17		From	Cash Flow to	Cash Flow to	
0	Cash Flow	0	Cash Flow	0	Cash Flow	0	Cash Flow	0	Cash Flow	0	Cash Flow	Other Fee 1	Cash Flow	Other Fee 2	Cash Flow	Reserves	Cash Flow	Limited Partner	Special Limited Partner
32	33 #	35	36 #	38	39 #	41	42 #	44	45 #	47	48 #	50	51 #	53	54				
-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	-	20,419	2,042	-
-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	3,593	-	3,593	-	3,593	-	3,593	-	3,593	-	3,593	-	3,593	-	3,593	-	3,593	359	-
-	16,937	-	16,937	-	16,937	-	16,937	-	16,937	-	16,937	-	16,937	-	16,937	-	16,937	1,694	-
-	17,818	-	17,818	-	17,818	-	17,818	-	17,818	-	17,818	-	17,818	-	17,818	-	17,818	1,782	-
-	18,709	-	18,709	-	18,709	-	18,709	-	18,709	-	18,709	-	18,709	-	18,709	-	18,709	1,871	-

DEPRECIATION SCHEDULE - NON TAX EXEMPT USE

Depreciation Expense - Extended Life for Real Property 0.000%
 Depreciation Expense - Extended Life for Site Work 0.000%
 Depreciation Expense - Extended Life for Personal Property 0.000%

	Total	0% Acquisition Jun-10	100% Acquisition Jun-17	0% Rehab Apr-18	0% Rehab Jul-18	100% Rehab Oct-18	Bonus Depreciation Eligible?	Bonus Depreciation Percent	Bonus Cutoff Date
Real Property	48,496,736	-	29,798,312	-	-	18,698,424	No	50%	12/31/2009
Commercial-Acquired	1,000,000	-	1,000,000	-	-	-			
Commercial-Rehab	-	-	-	-	-	-			
Historic Credit	-	-	-	-	-	-			
Site Improvements	-	-	-	-	-	-	No	40%	12/31/2018
Personal Property	510,000	-	-	-	-	510,000	Yes	40%	12/31/2018
Basis	50,006,736	-	30,798,312	-	-	19,208,424			

Amount Accelerated

\$ 255,000 Loss (1/2 of Site & Pers Depr)
 \$ 16,543,187 Equity Loss if Not Obtained (Orig Equity - New Amount @ lower S/Cred)
 \$ 64,8752 Adjustor

Basically you play with the S/Cred to see what would maintain the same IRR with loss of Bonus Depr

	27.5	27.5	27.5	27.5	27.5	15	15	15	15	5	5	5	5	39	39	39	39	39	39	5	Total							
	Acquisition	Acquisition	Bonus Depreciation - Rehab	Rehab	Bonus Depreciation - Rehab	Rehab	Bonus Depreciation - Rehab	Rehab	Bonus Depreciation - Site Improvements	Site Improvements	Bonus Depreciation - Site Improvements	Site Improvements	Bonus Depreciation - Site Improvements	Site Improvements	Bonus Depreciation - Personal Property	Personal Property	Bonus Depreciation - Personal Property	Personal Property	Bonus Depreciation - Personal Property	Personal Property	Commercial-Acquired	Commercial-Acquired	Commercial-Rehab	Commercial-Rehab	Commercial-Rehab	Commercial-Rehab	Replacement Reserves	Total
2017	-	586,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,825
2018	-	1,083,575	-	-	-	-	141,655	-	-	-	-	-	-	-	-	-	204,000	15,300	-	-	13,889	-	-	-	-	-	-	1,470,171
2019	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	116,280	-	-	25,641	-	-	-	-	-	-	1,905,439
2020	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	69,788	-	-	25,641	-	-	-	-	-	-	1,858,927
2021	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	41,861	-	-	25,641	-	-	-	-	-	-	1,831,020
2022	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	33,476	-	-	25,641	-	-	-	-	-	-	1,822,635
2023	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	29,315	-	-	25,641	-	-	-	-	-	4,365	1,822,839
2024	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	6,984	1,796,143
2025	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	4,190	1,793,349
2026	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	2,514	1,791,673
2027	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	2,514	1,791,673
2028	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	11,300	1,800,459
2029	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	16,068	1,805,227
2030	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	9,641	1,798,600
2031	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	5,785	1,794,944
2032	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	5,785	1,794,944
2033	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	19,227	1,808,386
2034	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	26,136	1,815,295
2035	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	15,682	1,804,841
2036	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	9,409	1,798,568
2037	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	9,409	1,798,568
2038	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	28,060	1,817,219
2039	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	37,369	1,826,528
2040	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	22,421	1,811,580
2041	-	1,083,575	-	-	-	-	679,943	-	-	-	-	-	-	-	-	-	-	-	-	-	25,641	-	-	-	-	-	13,453	1,802,612

LOSS

	Net Operating Income	Interest on Invested Loan Proceeds	Interest Income	Citi	Citi MIP	0	0	0	0	0	0	0	MGP Pship Mgmt Fee	Incentive Management Fee	LP Asset Mgmt Fee	Other Fee 1	Other Fee 2	Deferred Developer Fee	GP Loan	Depreciation	Funded Expense	Income / (Loss) / Initial Income / (Loss) to LP	Reallocation of Loss	Adjusted Income / (Loss) to LP	Initial Income / (Loss) to SLP	Reallocation of Loss	Adjusted Income / (Loss) to SLP
2017	1,050,722	-	-	693,145	-	-	-	-	-	-	-	-	5,833	-	2,917	-	-	-	-	600,825	142,567	(394,566)	(394,526)	-	(394,526)	-	-
2018	1,801,237	-	5,501	1,176,430	-	-	-	-	-	-	-	-	10,300	-	5,150	-	-	-	42,389	1,470,171	196,876	(1,094,577)	(1,094,468)	-	(1,094,468)	-	-
2019	1,831,885	-	11,426	1,160,932	-	-	-	-	-	-	-	-	10,609	-	5,305	-	-	-	171,675	1,905,439	41,987	(1,452,636)	(1,452,490)	-	(1,452,490)	-	-
2020	1,862,981	-	12,295	1,144,746	-	-	-	-	-	-	-	-	10,927	-	5,464	-	-	-	180,258	1,858,927	41,987	(1,367,033)	(1,366,896)	-	(1,366,896)	-	-
2021	1,894,534	-	13,199	1,127,841	-	-	-	-	-	-	-	-	11,255	-	5,628	-	-	-	189,271	1,831,020	41,987	(1,299,269)	(1,299,139)	-	(1,299,139)	-	-
2022	1,926,545	-	14,142	1,110,187	-	-	-	-	-	-	-	-	11,593	-	5,796	-	-	-	198,735	1,822,635	41,987	(1,250,246)	(1,250,121)	-	(1,250,121)	-	-
2023	1,959,020	-	15,125	1,091,749	-	-	-	-	-	-	-	-	11,941	-	5,970	-	-	-	208,672	1,822,839	41,987	(1,209,013)	(1,208,892)	-	(1,208,892)	-	-
2024	1,991,965	-	15,711	1,072,492	-	-	-	-	-	-	-	-	12,299	-	6,149	-	-	-	219,105	1,796,143	41,987	(1,140,499)	(1,140,385)	-	(1,140,385)	-	-
2025	2,025,379	-	16,767	1,052,381	-	-	-	-	-	-	-	-	12,668	-	6,334	-	-	-	230,060	1,793,349	41,987	(1,094,633)	(1,094,523)	-	(1,094,523)	-	-
2026	2,059,270	-	17,865	1,031,378	-	-	-	-	-	-	-	-	13,048	-	6,524	-	-	-	241,563	1,791,673	41,987	(1,049,038)	(1,048,933)	-	(1,048,933)	-	-
2027	2,093,640	-	19,010	1,009,443	-	-	-	-	-	-	-	-	13,439	-	6,720	-	-	-	253,642	1,791,673	41,987	(1,004,254)	(1,004,153)	-	(1,004,153)	-	-
2028	2,128,495	-	20,200	986,534	-	-	-	-	-	-	-	-	13,842	-	6,921	-	-	-	266,324	1,800,459	41,987	(967,372)	(967,275)	-	(967,275)	-	-
2029	2,163,835	-	20,435	962,608	-	-	-	-	-	-	-	-	14,258	-	7,129	-	-	-	279,640	1,805,227	41,987	(926,579)	(926,486)	-	(926,486)	-	-
2030	2,199,663	-	21,704	937,621	-	-	-	-	-	-	-	-	14,685	-	7,343	-	-	-	293,622	1,798,800	41,987	(872,691)	(872,603)	-	(872,603)	-	-
2031	2,235,986	-	23,023	911,525	-	-	-	-	-	-	-	-	15,126	32,339	7,563	-	-	-	308,303	1,794,944	41,987	(852,778)	(852,692)	-	(852,692)	-	-
2032	2,272,805	-	24,396	884,270	-	-	-	-	-	-	-	-	15,580	152,434	7,790	-	-	-	318,328	1,794,944	30,476	(906,620)	-	-	-	-	-
2033	2,310,124	-	25,824	855,807	-	-	-	-	-	-	-	-	16,047	160,360	8,024	-	-	-	308,839	1,808,386	18,149	(839,663)	-	-	-	-	-
2034	2,347,943	-	25,674	826,080	-	-	-	-	-	-	-	-	16,528	168,386	8,264	-	-	-	297,554	1,815,295	1,512	(760,002)	-	-	-	-	-

INVESTMENT BENEFIT SCHEDULE

LIMITED PARTNER

Year	Investor Equity	Closing Cost	Federal LIHTC	Net State LIHTC Tax Credits	Federal HTC	Net State Historic Tax Credits	Adjusted Income / (Loss)	Tax Savings / (Expense)	Cash Flow	Total Benefit	Annual Net Benefit	Cumulative Net Benefits
2017	642,422	-	-	-	-	-	(394,526)	98,632	2,042	100,674	(541,748)	(541,748)
2018	4,943,243	-	1,752,923	-	-	-	(1,094,468)	273,617	-	2,026,540	(2,916,703)	(3,458,451)
2019	10,415,196	-	1,752,923	-	-	-	(1,452,490)	363,123	-	2,116,046	(8,299,150)	(11,757,601)
2020	542,326	-	1,752,923	-	-	-	(1,366,896)	341,724	-	2,094,647	1,552,321	(10,205,280)
2021	-	-	1,752,923	-	-	-	(1,299,139)	324,785	-	2,077,708	2,077,708	(8,127,572)
2022	-	-	1,752,923	-	-	-	(1,250,121)	312,530	-	2,065,453	2,065,453	(6,062,119)
2023	-	-	1,752,923	-	-	-	(1,208,892)	302,223	-	2,055,146	2,055,146	(4,006,973)
2024	-	-	1,752,923	-	-	-	(1,140,385)	285,096	-	2,038,019	2,038,019	(1,968,954)
2025	-	-	1,752,923	-	-	-	(1,094,523)	273,631	-	2,026,554	2,026,554	57,600
2026	-	-	1,752,923	-	-	-	(1,048,933)	262,233	-	2,015,156	2,015,156	2,072,756
2027	-	-	1,752,923	-	-	-	(1,004,153)	251,038	-	2,003,961	2,003,961	4,076,717
2028	-	-	-	-	-	-	(967,275)	241,819	-	241,819	241,819	4,318,536
2029	-	-	-	-	-	-	(926,486)	231,622	-	231,622	231,622	4,550,158
2030	-	-	-	-	-	-	(872,603)	218,151	-	218,151	218,151	4,768,309
2031	-	-	-	-	-	-	(852,692)	213,173	359	213,532	213,532	4,981,841
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total	16,543,187	0	17,529,230	0	0	0	(15,973,582)	3,993,397	2,401	21,525,028	4,981,841	(21,302,778)
Disposition in Year		2032					(501,494)	125,374	0	125,374		125,374
Total	16,543,187	0	17,529,230	0	0	0	(16,475,076)	4,118,771	2,401	21,650,402	4,981,841	(21,177,404)

CAPITAL ACCOUNT ANALYSIS

Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital		Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
		Contributions	Syndication Costs							
2017	(394,566)	642,422	(65,710)	(394,526)	-	2,042	180,144	-	-	180,144
2018	(1,094,577)	4,943,243		(1,094,468)	-	-	4,028,919	-	-	4,028,919
2019	(1,452,636)	10,415,196		(1,452,490)	-	-	12,991,625	-	-	12,991,625
2020	(1,367,033)	542,326		(1,366,896)	-	-	12,167,055	-	-	12,167,055
2021	(1,299,269)	-		(1,299,139)	-	-	10,867,916	-	-	10,867,916
2022	(1,250,246)	-		(1,250,121)	-	-	9,617,795	-	-	9,617,795
2023	(1,209,013)	-		(1,208,892)	-	-	8,408,903	-	-	8,408,903
2024	(1,140,499)	-		(1,140,385)	-	-	7,268,518	-	-	7,268,518
2025	(1,094,633)	-		(1,094,523)	-	-	6,173,995	-	-	6,173,995
2026	(1,049,038)	-		(1,048,933)	-	-	5,125,062	-	-	5,125,062
2027	(1,004,254)	-		(1,004,153)	-	-	4,120,909	-	-	4,120,909
2028	(967,372)	-		(967,275)	-	-	3,153,634	-	-	3,153,634
2029	(926,579)	-		(926,486)	-	-	2,227,148	-	-	2,227,148
2030	(872,691)	-		(872,603)	-	-	1,354,545	-	-	1,354,545
2031	(852,778)	-		(852,692)	-	359	501,494	-	-	501,494
2032	(906,620)	-		-	-	-	501,494	-	-	501,494
2033	(839,663)	-		-	-	-	501,494	-	-	501,494
2034	(760,002)	-		-	-	-	501,494	-	-	501,494
2035	(672,836)	-		-	-	-	501,494	-	-	501,494

CAPITAL ACCOUNT ANALYSIS

Special Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital		Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
		Contributions	Syndication Costs							
2017	(394,566)	-		-	-	-	-	-	-	-
2018	(1,094,577)	-		-	-	-	-	-	-	-
2019	(1,452,636)	-		-	-	-	-	-	-	-
2020	(1,367,033)	-		-	-	-	-	-	-	-
2021	(1,299,269)	-		-	-	-	-	-	-	-
2022	(1,250,246)	-		-	-	-	-	-	-	-
2023	(1,209,013)	-		-	-	-	-	-	-	-
2024	(1,140,499)	-		-	-	-	-	-	-	-
2025	(1,094,633)	-		-	-	-	-	-	-	-
2026	(1,049,038)	-		-	-	-	-	-	-	-
2027	(1,004,254)	-		-	-	-	-	-	-	-
2028	(967,372)	-		-	-	-	-	-	-	-
2029	(926,579)	-		-	-	-	-	-	-	-
2030	(872,691)	-		-	-	-	-	-	-	-
2031	(852,778)	-		-	-	-	-	-	-	-
2032	(906,620)	35,222,504		-	-	-	35,222,504	-	-	35,222,504
2033	(839,663)	-		-	-	-	35,222,504	-	-	35,222,504
2034	(760,002)	-		-	-	-	35,222,504	-	-	35,222,504
2035	(672,836)	-		-	-	-	35,222,504	-	-	35,222,504

CALCULATION OF MINIMUM GAIN
Nonrecourse Liabilities

	Replacement Reserves Collateral for Loan	Reserves other than Replacement Reserves Collateral for Loan				CALCULATION OF MINIMUM GAIN										Total Nonrecourse Liabilities	Minimum Gain
	Yes	1 Yes	1	1	1	Citi	0	0	0	0	0	0	0	0	0		
	Historic Credit	Original Net Assets	Capital Replacement & Operating Reserve Balance	Cumulative Asset Additions	Accumulated Depreciation	Net Assets											
2017		53,329,678	-	-	600,825	52,728,853	27,203,173	-	-	-	-	-	-	-	-	27,203,173	-
2018	-	53,329,678	555,546	-	2,070,996	51,814,228	26,853,937	-	-	-	-	-	-	-	-	26,853,937	-
2019	-	53,329,678	598,490	-	3,976,435	49,951,733	26,489,203	-	-	-	-	-	-	-	-	26,489,203	-
2020	-	53,329,678	643,249	-	5,835,361	48,137,566	26,108,283	-	-	-	-	-	-	-	-	26,108,283	-
2021	-	53,329,678	689,885	-	7,666,381	46,353,182	25,710,458	-	-	-	-	-	-	-	-	25,710,458	-
2022	-	53,329,678	738,468	-	9,489,016	44,579,130	25,294,979	-	-	-	-	-	-	-	-	25,294,979	-
2023	-	53,329,678	767,243	21,824	11,311,855	42,806,890	24,861,062	-	-	-	-	-	-	-	-	24,861,062	-
2024	-	53,329,678	819,492	21,824	13,107,997	41,062,997	24,407,888	-	-	-	-	-	-	-	-	24,407,888	-
2025	-	53,329,678	873,893	21,824	14,901,346	39,324,049	23,934,603	-	-	-	-	-	-	-	-	23,934,603	-
2026	-	53,329,678	930,521	21,824	16,693,019	37,589,004	23,440,315	-	-	-	-	-	-	-	-	23,440,315	-
2027	-	53,329,678	989,457	21,824	18,484,691	35,856,268	22,924,092	-	-	-	-	-	-	-	-	22,924,092	-
2028	-	53,329,678	1,000,567	72,038	20,285,150	34,117,133	22,384,960	-	-	-	-	-	-	-	-	22,384,960	-
2029	-	53,329,678	1,063,360	72,038	22,090,377	32,374,699	21,821,902	-	-	-	-	-	-	-	-	21,821,902	-
2030	-	53,329,678	1,128,692	72,038	23,889,177	30,641,231	21,233,857	-	-	-	-	-	-	-	-	21,233,857	-
2031	-	53,329,678	1,196,652	72,038	25,684,120	28,914,248	20,619,716	-	-	-	-	-	-	-	-	20,619,716	-
2032	-	53,329,678	1,267,333	72,038	27,479,064	27,189,985	19,978,320	-	-	-	-	-	-	-	-	19,978,320	-
2033	-	53,329,678	1,259,156	153,713	29,287,450	25,455,097	19,308,461	-	-	-	-	-	-	-	-	19,308,461	-
2034	-	53,329,678	1,333,934	153,713	31,102,744	23,714,581	18,608,875	-	-	-	-	-	-	-	-	18,608,875	-
2035	-	53,329,678	1,411,696	153,713	32,907,585	21,987,502	17,878,243	-	-	-	-	-	-	-	-	17,878,243	-

AMORTIZATION SCHEDULE

Citi

Principal	27,400,000
Interest Rate	4.35%
MIP	0.00%
Amortizable Term	420
Hard or Soft	Hard
Start Date	Jun-17
 Monthly Payment	 127,138.80

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2017	-	889,972	196,827	693,145	27,203,173	-
2018	-	1,525,666	349,236	1,176,430	26,853,937	-
2019	-	1,525,666	364,734	1,160,932	26,489,203	-
2020	-	1,525,666	380,920	1,144,746	26,108,283	-
2021	-	1,525,666	397,825	1,127,841	25,710,458	-
2022	-	1,525,666	415,479	1,110,187	25,294,979	-
2023	-	1,525,666	433,917	1,091,749	24,861,062	-
2024	-	1,525,666	453,174	1,072,492	24,407,888	-
2025	-	1,525,666	473,285	1,052,381	23,934,603	-
2026	-	1,525,666	494,288	1,031,378	23,440,315	-
2027	-	1,525,666	516,223	1,009,443	22,924,092	-
2028	-	1,525,666	539,132	986,534	22,384,960	-
2029	-	1,525,666	563,058	962,608	21,821,902	-
2030	-	1,525,666	588,045	937,621	21,233,857	-
2031	-	1,525,666	614,141	911,525	20,619,716	20,619,716
2032	-	1,525,666	641,396	884,270	19,978,320	-
2033	-	1,525,666	669,859	855,807	19,308,461	-
2034	-	1,525,666	699,586	826,080	18,608,875	-
2035	-	1,525,666	730,632	795,034	17,878,243	-
2036	-	1,525,666	763,056	762,610	17,115,187	-
2037	-	1,525,666	796,919	728,747	16,318,268	-
2038	-	1,525,666	832,285	693,381	15,485,983	-
2039	-	1,525,666	869,220	656,446	14,616,763	-
2040	-	1,525,666	907,794	617,872	13,708,969	-
2041	-	1,525,666	948,080	577,586	12,760,889	-
2042	-	1,525,666	948,080	577,586	12,760,889	-

RESIDUAL ANALYSIS

LIHTC Income Escalation	3.00%
Market Income Escalation	3.00%
Other Income Escalation	3.00%
Commercial Income Escalation	3.00%
Operating Expense Escalation	3.00%
Real Estate Tax Expense Escalation	3.00%
Property Management Fee	3.00%
LIHTC Vacancy	5.00%
Market Vacancy	7.00%
Other Vacancy	5.00%
Commercial Vacancy	10.00%
Cap Rate	5.00%
Asset Mgt Fee Escalation	3%
GP Mgt Fee Escalation	3%

	LIHTC Income	LIHTC Vacancy	Market Income	Market Vacancy	Other Income	Other Vacancy	Commercial Income	Commercial Vacancy	Net Receipts	Operating Expenses	Real Estate Taxes	Property Management	Net Operating Income	Replacement Reserves	Cash Flow	To Dev Budget	From Reserves	Cash Flow	Cash Flow+ Reserves
2067	9,950,722	#####	-	-	35,388	(1,769)	279,036	(27,904)	9,737,937	1,968,296	190,035	292,138	7,287,468	134,148	7,153,320	-	-	7,153,320	7,153,320
2068	#####	#####	-	-	36,450	(1,823)	287,407	(28,741)	10,030,075	2,027,345	195,736	300,902	7,506,092	138,172	7,367,920	-	-	7,367,920	7,367,920
2069	#####	#####	-	-	37,544	(1,877)	296,029	(29,603)	10,330,978	2,088,165	201,608	309,929	7,731,276	142,317	7,588,959	-	-	7,588,959	7,588,959
2070	#####	#####	-	-	38,670	(1,934)	304,910	(30,491)	10,640,907	2,150,810	207,656	319,227	7,963,214	146,587	7,816,627	-	-	7,816,627	7,816,627
2071	#####	#####	-	-	39,830	(1,992)	314,057	(31,406)	10,960,134	2,215,334	213,886	328,804	8,202,110	150,984	8,051,126	-	-	8,051,126	8,051,126
2072	#####	#####	-	-	41,025	(2,051)	323,479	(32,348)	11,288,939	2,281,794	220,303	338,668	8,448,174	155,514	8,292,660	-	-	8,292,660	8,292,660
2073	#####	#####	-	-	42,256	(2,113)	333,183	(33,318)	11,627,607	2,350,248	226,912	348,828	8,701,619	160,179	8,541,440	-	-	8,541,440	8,541,440
2074	#####	#####	-	-	43,524	(2,176)	343,178	(34,318)	11,976,434	2,420,755	233,719	359,293	8,962,667	164,985	8,797,682	-	-	8,797,682	8,797,682
2075	#####	#####	-	-	44,830	(2,242)	353,473	(35,347)	12,335,727	2,493,378	240,731	370,072	9,231,546	169,934	9,061,612	-	-	9,061,612	9,061,612
2076	#####	#####	-	-	46,175	(2,309)	364,077	(36,408)	12,705,798	2,568,179	247,953	381,174	9,508,492	175,032	9,333,460	-	-	9,333,460	9,333,460
2077	#####	#####	-	-	47,560	(2,378)	374,999	(37,500)	13,086,972	2,645,224	255,392	392,609	9,793,747	180,283	9,613,464	-	-	9,613,464	9,613,464
2078	#####	#####	-	-	48,987	(2,449)	386,249	(38,625)	13,479,582	2,724,581	263,054	404,387	10,087,560	185,692	9,901,868	34,553	-	9,936,421	9,936,421
2079	#####	#####	-	-	50,457	(2,523)	397,836	(39,784)	13,883,968	2,806,318	270,946	416,519	10,390,185	-	10,390,185	-	-	10,390,185	10,390,185

Market	BRs	Units	Mkt Rents	
			Current	Future
Market		0	0	-
Market		1	101	-
Market		2	1	-
Market		3	0	-
Market		4	0	-
Market		5	0	-
Market		6	0	-
Market		7	0	-
		102		

Valuation Year	2034
Convert to Mkt	No
Conversion Year	2045
Conversion Mult	0

NOI in Valuation Year	2,696,989
Cap Rate	5.00%
NOI Value	53,939,780
Reserves	1,351,192
Total Value	55,290,972
Debt	
Citi	18,608,875
0	-
0	-
0	-
0	-
0	-
0	-
0	-
GP Loan	3,808,905
Total Debt	22,417,780
Residual Value	32,873,193

SALES ANALYSIS					
12/31/2031					
		\$1 Over Mortgage		Capped NOI	
		LP Investor	SLP Investor	LP Investor	SLP Investor
Sales Price		26,986,283	26,986,283	44,719,720	44,719,720
Citi		20,619,716	20,619,716	20,619,716	20,619,716
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
Deferred Developer Fee		-	-	-	-
GP Loan		6,366,566	6,366,566	6,366,566	6,366,566
Selling Expenses to LP		-	-	1,341,592	1,341,592
Selling Expenses to GP/Other		-	-	1,341,592	1,341,592
Net Proceeds		1	1	15,050,255	15,050,255
Return of Capital		-	-	-	-
Net Sales Proceeds to LP/SLP	10.00%	-	0.00%	1,505,025	-
Plus Sales Commission to LP		-	-	1,341,592	-
Total Proceeds to LP/SLP		-	-	2,846,617	-
Capital Contributions		16,543,187	-	16,543,187	-
Syndication Costs		(65,710)	-	(65,710)	-
Income / (Loss)		(15,973,582)	-	(15,973,582)	-
Cash from Operations		(2,401)	-	(2,401)	-
Historic Credit		-	-	-	-
Cash from Sale		-	-	(2,846,617)	-
Gain / (Loss) on Investment		(501,494)	-	2,345,123	-
Tax Savings / (Expense)		125,374	-	(586,281)	-

OPERATING RESERVE

Assumptions:	
Dev Budget Deposit	\$ 542,395
Annual Cash Flow Deposit	-
Escalation	3.00%
Accrue if Unpaid?	No
Hard or Soft	Soft
Start Date (from operations)	Oct-18
Interest	2%
Withdrawn every	30 years
Release \$XXX	\$ - Year (20X) 0
Min. DSCR for Release	1.15
Min. Reserve Balance	542,395.00

Schedule:								
Year	Cash Flow Deposit	Dev Bgt or Rent-Up Res Deposit	Interest	Reserve Release	To Operations	Balance	Op. Res. Annual Decline	DSCR
2017	-	-	-	-	-	-		1.18
2018	-	542,395	5,424	-	-	547,819	0%	1.18
2019	-	-	10,956	-	-	558,775	0%	1.18
2020	-	-	11,176	-	-	569,951	0%	1.20
2021	-	-	11,399	-	-	581,350	0%	1.22
2022	-	-	11,627	-	-	592,977	0%	1.24
2023	-	-	11,860	-	-	604,837	0%	1.26
2024	-	-	12,097	-	-	616,934	0%	1.28
2025	-	-	12,339	-	-	629,273	0%	1.30
2026	-	-	12,585	-	-	641,858	0%	1.32
2027	-	-	12,837	-	-	654,695	0%	1.35
2028	-	-	13,094	-	-	667,789		1.37
2029	-	-	13,356	-	-	681,145		1.39
2030	-	-	13,623	-	-	694,768		1.41
2031	-	-	13,895	-	-	708,663		1.44
2032	-	-	14,173	-	-	722,836		1.46
2033	-	-	14,457	-	-	737,293		1.48
2034	-	-	14,746	-	-	752,039		1.51
2035	-	-	15,041	-	-	767,080		1.53
2036	-	-	15,342	-	-	782,422		1.56
2037	-	-	15,648	-	-	798,070		1.58
2038	-	-	15,961	-	-	814,031		1.61
2039	-	-	16,281	-	-	830,312		1.63
2040	-	-	16,606	-	-	846,918		1.66
2041	-	-	16,938	-	-	863,856		1.68
2042	-	-	17,277	-	-	881,133		-

REPLACEMENT RESERVES

Assumptions:		
Annual Deposit	30,600	
Start Date	Oct-18	
Escalation	3%	
% Withdrawn	15%	
Withdrawn every	5	years
Interest	2%	

Schedule:					
Year	Cash Flow Deposit	Dev Bgt Deposit	Interest	Withdraws	Balance
2017	-	-	-	-	-
2018	7,650	-	77	-	7,727
2019	31,518	-	470	-	39,715
2020	32,464	-	1,119	-	73,298
2021	33,437	-	1,800	-	108,535
2022	34,441	-	2,515	-	145,491
2023	35,474	-	3,265	21,824	162,406
2024	36,538	-	3,614	-	202,558
2025	37,634	-	4,428	-	244,620
2026	38,763	-	5,280	-	288,663
2027	39,926	-	6,173	-	334,762
2028	41,124	-	7,106	50,214	332,778
2029	42,358	-	7,079	-	382,215
2030	43,628	-	8,081	-	433,924
2031	44,937	-	9,128	-	487,989
2032	46,285	-	10,223	-	544,497
2033	47,674	-	11,367	81,675	521,863
2034	49,104	-	10,928	-	581,895
2035	50,577	-	12,144	-	644,616
2036	52,094	-	13,413	-	710,123
2037	53,657	-	14,739	-	778,519
2038	55,267	-	16,123	116,778	733,132
2039	56,925	-	15,232	-	805,289
2040	58,633	-	16,692	-	880,614
2041	60,392	-	18,216	-	959,222
0	62,203	-	19,806	-	1,041,231

CONSTRUCTION BUDGET

[attach sources/uses from initial economic projections]

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Funded	Non-depreciable
LP Equity	16,543,187					
Citi	27,400,000					
0	-					
0	-					
0	-					
0	-					
0	-					
0	-					
0	-					
Other	1,499,818					
Cashflow From Operations	131,581					
Interest Income / GIC	-					
GP Equity	-					
Deferred Developer Fee	5,907,503					
GP Loan	3,391,105					
TOTAL SOURCES OF FUNDS	54,873,192					
Surplus (Deficit)	-					
ACQUISITION COSTS						
Acquisition Land	2,600,000	x	x	x	x	2,600,000
Acquisition Building	26,013,981	26,013,981	26,013,981	x	x	x
Acquisition Building Commercial	1,000,000			x	x	x
Acquired Reserves	136,019	x	x	x	x	136,019
Other Acquisition Costs	104,056	104,056	104,056	x	x	-
Other Acquisition Costs	202,851	202,851	202,851	x	x	-
HARD COSTS						
Construction	8,427,406	8,427,406	x	8,261,695	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x
Contractor Overhead	238,281	238,281	x	233,863	x	x
Contractor Profit	441,709	441,709	x	433,519	x	x
Performance Bonds	102,575	102,575	x	100,673	x	x
General Requirements	768,976	768,976	x	754,718	x	x
Furnishings	510,000	510,000	x	510,000	x	x
Site Improvements	-	-	x	-	x	-
Permits and Fees	-	-	x	-	x	x
Contingency (% of Costs or Input)	25% 2,480,689	2,480,689	x	2,434,694	x	x
Commercial/Nonresidential Costs	-	-	x	-	x	x
Interior Demolition	-	-	x	-	x	x
Building Demolition	-	x	x	x	x	-
Parking	-	-	x	-	x	x
Off-site Improvements	-	x	x	x	x	-
Other Costs	109,375	109,375		107,347		
Non Depreciable Site Costs	-	-		-		-
ARCHITECTURAL AND ENGINEERING						
Architect	922,398	922,398	x	905,607	x	x
Survey & Engineering	80,605	80,605	x	79,249	x	x
Environmental	-	-	x	-	x	x
Soils	-	-	x	-	x	x
Other: Other 3rd Parties; Energy Audit; Permits and Fees	277,619	277,619		277,162		-
SOFT COSTS						
Relocation	563,500	563,500	x	563,500	x	x
Appraisal	-	-	x	-	x	x
Market Study	-	-		-		
Organizational	x	x	x	-		x
Professional	296,005	-		-	296,005	
Accounting	-	-		-	x	x
Cost Certification	10,000	10,000		10,000	x	x
Construction Period Taxes	275,358			-	275,358	x
Construction Period Insurance	-	-		-		x
Marketing (monthly term if not 180 mths)	8	x	x	x	-	x
Contingency	50,000	50,000		50,000	x	x
Tax Credit Fees	61,567	x	x	x	61,567	x
Syndication	65,710		x	x	x	65,710
Other Soft: Depreciable Expenses	535,103	535,103		287,523		-
Other Soft: Funded/Non-Depreciable Expenses	285,245			-	-	285,245
FEES						
Developer Fee - Rehabilitation	2,471,389	2,471,389	x	2,471,389	x	-
Developer Fee - Acquisition	3,436,114	3,134,436	3,134,436	x	x	301,678
Other Consultant	-	-		-	-	
Other Fees	-	-		-	-	
RESERVES						
Replacement Reserves		x	x	x	x	-
Rent Up Reserve		x	x	x	x	-
Operating Reserve (No. Mths or Input)	3 542,395	x	x	x	x	542,395
Other Reserves: Seismic & Construction		x	x	x	x	-
FINANCING						
Loan 1 - Fees and Legal	197,488		x	-	197,488	x
Loan 2 - Fees and Legal			x	-	-	x
Loan 3 - Fees and Legal			x	-	-	x
Loan 4 - Fees and Legal			x	-	-	x
Loan 5 - Fees and Legal			x	-	-	x
Loan 6 - Fees and Legal			x	-	-	x
Construction Only	23,400	23,400	x	23,400	x	x
Other Loan Fees and Legal	447,979	342,988	342,988	-	104,991	x
Interest						x
Interest Override	1,195,400	1,195,400		1,195,400		x
TOTAL	54,873,192	50,006,736	29,798,312	18,699,739	935,410	3,931,047
Total Cost/Unit	\$537,972.48					
Hard Costs/Unit	\$103,905.14					
Total Cost/Square Footage	\$1,115.40					
50% Test						
Depreciable basis +Land		52,606,736				
Tax-exempt Bonds		37,500,000				
% of Eligible Basis & Land financed by Tax-Exempt Bonds		71.28%				
50% Test Met		Yes				
TOTAL	Total	Depreciable	Acquisition	Rehab/New Construction	Funded	

ANNUAL OPERATING BUDGET

Operations Summary

		<u>Total</u>		<u>Haircut Operations</u>	
Potential Gross Residential Income					
LIHTC Income		2,480,304		0	Decrease by x%
Market Rate Income		0		0	
<i>Other Income</i>					
Laundry/Vending		6,120		-	
Tenant Charge		2,700		-	
0		-		-	
Effective Gross Residential Income		2,489,124		0	
Residential Vacancy					
LIHTC Vacancy	5.00%	(124,015)		0	
Market Rate Vacancy	7.00%	0		0	
Other Income Vacancy	0.00%	0		0	
Effective Gross Rental Income		2,365,109		0	
Commercial Income		69,552		0	
Commercial Vacancy	10.00%	(6,955)		0	
Effective Gross Commercial Income		62,597		0	
Total Effective Gross Income		2,427,706		0	
Less: Operating Expenses (incl. Taxes & Mgt Fees)		(610,811)		0	Increase by x%
Net Operating Income		1,816,895		0	
Replacement Reserves		(30,600)		0	\$XXX per unit
Cash Flow avail for Debt Service		1,786,295		0	
Less: Debt Servicing Fees (if Applicable)		0		0	
Net Available for Debt Service after Fees		1,786,295		0	
Debt Service	4.350%	1,525,666		1,525,666	
Debt Service Coverage Ratio (Net of Debt svc fees)		1.171		0.000	
Expense Coverage Ratio		3.784945378			
Maximum Loan Amount @	1.15	27,896,290		0	(27,896,290) (Gap)
Annual Payment		1,553,300		0	
Breakeven Occupancy		85%			

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

		Upon Completion											Existing				
Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Gross Max LIHTC	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent	
LIHTC		Escalations					2.00%	Vacancy			5.00%						
50%	1	50	450	22,500	36,560	914	2,058		2,058	102,900	1,234,800			0.00	-	-	
60%	1	49	450	22,050	43,840	1,096	2,058		2,058	100,842	1,210,104			0.00	-	-	
60%	2	1	930	930	52,640	1,316	2,950		2,950	2,950	35,400			0.00	-	-	
MGR	1	1	610	610	-	-	-		-	-	-			0.00	-	-	
MGR	1	1	1300	1,300	-	-	-		-	-	-			0.00	-	-	
Total		102		47,390						206,692	2,480,304			-	-	-	

		MARKET															
		Escalations					2.00%	Vacancy			7.00%						
				-					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	-	-	
Total		0		-					-	-	-			-	-	-	
Total Units		102		47,390					206,692	2,480,304				-	-	-	
Common Areas Circulation				47,390													
Total Residential SF				47,390													
Low-Income Ratio		100.00%		100.00%													

		MISCELLANEOUS OTHER INCOME															
		Escalations					2.00%	Vacancy			0.00%						
Laundry/Vending											6,120						
Tenant Charge											2,700						
Total Miscellaneous Other Income									\$7.21	735	8,820						

		COMMERCIAL INCOME															
		Escalations					2.00%	Vacancy			10.00%						
Souza				1,340					\$3.825	5,126	61,512						
Lotus				466					\$ 1.44	670	8,040						
Other																	
Other																	
Parking Income																	
Total Commercial Income				1,806							69,552						

OPERATING EXPENSES

	Sensitivity Percent	Upon Completion			Existing		
		Total	Per Unit	Adjusted Total	Total	Per Unit	Adjusted Total
VARIABLE							
Marketing	100%	500	4.90	500		-	-
Administration	100%	54,130	530.69	54,130		-	-
Maintenance	100%	100,095	981.32	100,095		-	-
Utilities	100%	105,100	1,030.39	105,100		-	-
Other	100%	3,600	35.29	3,600		-	-
TOTAL VARIABLE		263,425	2,582.60	263,425		-	-
FIXED							
Insurance	100%	27,705	271.62	27,705		-	-
Payroll	100%	199,484	1,955.73	199,484		-	-
Other	100%	-	-	-		-	-
TOTAL FIXED		227,189	2,227.34	227,189		-	-
Project Operating Expenses		490,614	4,809.94	490,614		-	-
Escalations				3.00%			
Real Estate Taxes	100%	47,366	464.37	47,366			
Real Estate Tax Escalation				3.00%			
Property Management Fee Percent or Property Management Fee Dollars		3.00%	-	72,831			-
Total Operating Expense Including Property Mgmt Fee and RE Taxes				610,811			-
Replacement Reserve				30,600			-
Total Operating Expense Including Property Mgmt Fee				641,411	\$ 6,288 (per unit)		-
		Per Unit	Total				
Replacement Reserve		300.00	30,600				
Start Date - input							
Start Date - Completion				Oct-18			
Annual Escalation				3.00%			
% Withdrawn				15.00%			
Withdrawn Every				5 years			
Interest on Reserve Deposits				2.00%			

AMORTIZATION SCHEDULE

AMORTIZATION SCHEDULE

Citi

Principal	27,400,000
Interest Rate	4.35%
MIP	0.00%
Amortizable Term	420
Hard or Soft	Hard
Start Date	Jun-17
 Monthly Payment	 127,138.80

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2017	-	889,972	196,827	693,145	27,203,173	-
2018	-	1,525,666	349,236	1,176,430	26,853,937	-
2019	-	1,525,666	364,734	1,160,932	26,489,203	-
2020	-	1,525,666	380,920	1,144,746	26,108,283	-
2021	-	1,525,666	397,825	1,127,841	25,710,458	-
2022	-	1,525,666	415,479	1,110,187	25,294,979	-
2023	-	1,525,666	433,917	1,091,749	24,861,062	-
2024	-	1,525,666	453,174	1,072,492	24,407,888	-
2025	-	1,525,666	473,285	1,052,381	23,934,603	-
2026	-	1,525,666	494,288	1,031,378	23,440,315	-
2027	-	1,525,666	516,223	1,009,443	22,924,092	-
2028	-	1,525,666	539,132	986,534	22,384,960	-
2029	-	1,525,666	563,058	962,608	21,821,902	-
2030	-	1,525,666	588,045	937,621	21,233,857	-
2031	-	1,525,666	614,141	911,525	20,619,716	20,619,716
2032	-	1,525,666	641,396	884,270	19,978,320	-
2033	-	1,525,666	669,859	855,807	19,308,461	-
2034	-	1,525,666	699,586	826,080	18,608,875	-
2035	-	1,525,666	730,632	795,034	17,878,243	-
2036	-	1,525,666	763,056	762,610	17,115,187	-
2037	-	1,525,666	796,919	728,747	16,318,268	-
2038	-	1,525,666	832,285	693,381	15,485,983	-
2039	-	1,525,666	869,220	656,446	14,616,763	-
2040	-	1,525,666	907,794	617,872	13,708,969	-
2041	-	1,525,666	948,080	577,586	12,760,889	-
2042	-	1,525,666	948,080	577,586	12,760,889	-

[]¹ PAYMENT DATE CERTIFICATE

St. Marks Preservation GP, LLC, a Delaware limited liability company, as the Administrative General Partner of St. Marks Preservation, LP, a Delaware limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 52, LLC, a Delaware limited liability company, its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Second Amended and Restated Limited Partnership Agreement of the Partnership dated as of June 30, 2017 (the “Partnership Agreement”)), as follows:

1. All conditions precedent to the [] Payment Date and the payment by the Investor Limited Partner of the [] Federal Payment as specified in Sections 3.1(b)[()] and 3.1(c) of the Partnership Agreement.

2. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default which is currently being contested by a General Partner as of the [] Payment Date.

3. All of the representations and warranties of the General Partners set forth in Section 3.1(c)(v) and Article 9 of the Partnership Agreement are true and correct in all material respects as of the [] Payment Date as if made thereon.

4. The proceeds of the [] Federal Payment will be applied to pay Project Costs as set forth in the Construction Budget.

¹ Insert applicable payment date throughout the document. First Payment Date Certificate executed at Closing.

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [____] Payment Date an amount equal to the [_____] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, ____

ADMINISTRATIVE GENERAL PARTNER:

ST. MARKS PRESERVATION GP, LLC, a
Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware
limited liability company, its Sole Member
and Manager

By: _____
Name: John Tatum
Title: Authorized Signatory

ATTACHMENT A TO EXHIBIT F²

GENERAL PARTNER COMPLETION CERTIFICATE

[ATTACH TO COMPLETION INSTALLMENT PAYMENT CERT]

St. Marks Preservation GP, LLC, a Delaware limited liability company, as the Administrative General Partner of St. Marks Preservation, LP, a Delaware limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 52, LLC, a Delaware limited liability company, its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [_____] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Second Amended and Restated Limited Partnership Agreement of the Partnership dated as of June 30, 2017 (the “Partnership Agreement”)), as follows:

1. All Government Permits have been obtained and maintained; and neither the Partnership nor any General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any Authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured or are in the process of being cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction;

2. To the best knowledge of the Administrative General Partner, the Completion of the Project is substantially in accordance with (A) all applicable requirements of the Loan Documents and other Project Documents, (B) all applicable material requirements of all Authorities, and (C) the Plans;

3. To the best knowledge of the Administrative General Partner, the Project, as constructed, has no material design, maintenance or rehabilitation defects;

4. There are no mechanic’s liens recorded against the Project and no Person has threatened to assess or record any such mechanic’s lien for which the General Partners have not provided a sufficient mechanic lien release bond;

5. Other than obligations incurred in the ordinary course of business and obligations that will be satisfied with the proceeds of the [_____]

² To be completed in conjunction with the Payment Date on which Completion is achieved.

Federal Payment, as of the date hereof, the Partnership has no material outstanding obligations for the repayment of money except for the Loans;

6. The General Partners have set aside 100 of the Rental Units in the Project for households with incomes which satisfy the requirements of Section 42(g) of the Code;

7. The Project has been constructed and operated in a manner which satisfies and shall continue to satisfy, all of the Housing Tax Credit Conditions;

8. To the best knowledge of the Administrative General Partner, nothing has occurred that would interfere with the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that adjustment thereof has been made pursuant to the terms of this Agreement; and

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [_____] Payment Date an amount equal to the [_____] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, ____

ADMINISTRATIVE GENERAL PARTNER:

ST. MARKS PRESERVATION GP, LLC, a Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware limited liability company, its Sole Member and Manager

By: _____
Name: John Tatum
Title: Authorized Signatory

ARCHITECT'S CERTIFICATES

EXHIBIT G-1

ARCHITECT'S CERTIFICATE OF _____ PERCENT COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated [_____, 2016], 2016 between Architect and St. Marks Preservation, LP, a Delaware limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

1. At least _____ percent (___%) of the rehabilitation of the project located at 394 12th Street in Oakland, California and known as St. Marks Apartments (the "Project") has been completed in accordance with those certain plans and specifications dated [_____, 2016], 2016 prepared by Architect (the "_____ Percent Completed Portion"). (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

2. The _____ Percent Completed Portion has been completed in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Oakland and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. §12101 and the United States Fair Housing Act (42 U.S.C. §3601 et. seq.) and the contemplated use of the Property.

3. To the best of the undersigned's knowledge and belief, the _____ Percent Completed Portion, as completed, complies with all applicable zoning, environmental, building and land use laws.

4. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the _____ Percent Completed Portion.

Dated: _____, ____

ARCHITECT:

Gelfand Partners Architects

By: _____

Name: _____

Title: _____

EXHIBIT G-2

ARCHITECT'S CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated [_____, ____], 2016 between Architect and St. Marks Preservation, LP, a Delaware limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

5. The rehabilitation of the project located at _____ in _____, _____ and known as _____ (the "Project" at 394 12th Street in Oakland, California and known as St. Marks Apartments (the "Project")) has been substantially completed in accordance with those certain plans and specifications dated [_____, ____], 2017 prepared by the Architect as modified by approved change orders, and subject to only minor punch list items. (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

6. The Project has been completed to the best of our professional knowledge in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the [*describe municipality*] of _____ and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. § 12101 and the United States Fair Housing Act (42 U.S.C. § 3601 et. seq.) and the contemplated use of the Property.

7. To the best of the undersigned's knowledge and belief, the Project, as completed, complies with all applicable zoning, environmental, building and land use laws.

8. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the Project.

Dated: _____, ____

ARCHITECT:

Gelfand Partners Architects

By: _____

Name: _____

Title: _____

ACCOUNTANTS' CERTIFICATE
([_____] * PAYMENT DATE)

St. Marks Preservation, LP
152 West 57th Street, 36th Floor
New York, NY 10019
Attn: John Tatum

Aegon LIHTC Fund 52, LLC
AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499-5553
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Second Amended and Restated Limited Partnership Agreement of St. Marks Preservation, LP, dated as of June 30, 2017, (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the Cost Certification and the IRS Form 8609s for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;
- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount
- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that (i) there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [_____] the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such [decrease/increase] is already accounted for pursuant to the calculation set forth above. Based on

the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [\$_____] the Projected First Year Federal Investor Housing Tax Credit Amount and that the [loss/increase] in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [\$_____] the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such [decrease/increase] is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] the Projected Second Year Federal Investor Housing Tax Credit Amount and that the [loss/increase] in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b) of the Partnership Agreement [if applicable] is [\$_____].

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

* Revise Payment Date as applicable.

FINANCING SUMMARY

All capitalized terms used in this Exhibit I shall have the meanings as set forth in the Agreement.

The Project will receive financing from the following sources:

1. **First Mortgage Loan from the California Housing Finance Authority.** The Partnership has received mortgage rehabilitation and permanent loan in the amount of up to \$37,500,000 made or to be made to the Partnership by the Governmental Lender, which has been derived from the proceeds of the issuance of the Tax-Exempt Notes under the volume cap of Section 146 of the Code and the Taxable Note (the “**First Mortgage Loan**”). The First Mortgage Loan will bear interest at fixed and variable rates (as described in the Fixed Rate Note and the Variable Rate Notes, respectively) with interest only payments through the maturity of the Variable Rate Notes; thereafter, the First Mortgage Loan will bear interest at a fixed rate of 4.35% per annum, will amortize over a period of thirty-five (35) years and mature on July 1, 2050, with mandatory prepayment on July 1, 2035; *provided, however*, that following Permanent Loan Conversion the amount of First Mortgage Loan shall not exceed \$27,400,000 without the consent of the Investor Limited Partner

2. **Subordinate Loan from the Administrative General Partner.** The Partnership has received an unsecured subordinate loan (the “**Subordinate Loan**”) in the amount of \$4,900,000 made by the Subordinate Lender to the Partnership. The Subordinate Loan has a term of thirty (30) years and bears compound interest at a rate of 5% per annum. Payments on the Subordinate Loan will be made from 75% of available Operating Cash Flow and/or Extraordinary Cash Proceeds with unpaid interest and principal payable upon the earlier of the sale of the Project or the maturity date.

INSURANCE

The General Partner shall maintain or cause to be maintained insurance coverages in full force and effect at all times with respect to the Project in accordance with the requirements of this Exhibit J. All capitalized terms used in this Exhibit J shall have the meanings as set forth in the Agreement.

(1) **Title Insurance.** The Partnership shall have an Owner's policy of Title Insurance in an amount not less than the Project rehabilitation costs (which shall equal total debt (including any projected Development Fee Note) plus equity), but in any event not exceeding insurable value, insuring good and marketable title to the Project, subject to such exceptions as do not materially and adversely affect the value of the Project or its intended use, naming the Partnership as an insured and including the following endorsements: (1) a non-imputation endorsement, (2) a comprehensive endorsement (ALTA Form 9.1 for unimproved land or ALTA Form 9.2 for improved land, as applicable), (3) a contiguity endorsement (if the Land consists of more than one parcel), (4) an access endorsement, (5) a zoning endorsement (including any applicable parking provisions), (6) a fairways endorsement, (7) maximum loss payable and (8) any other endorsements reasonably requested by the Investor Limited Partner to the extent available in the State, each in a form reasonably acceptable to the Investor Limited Partner;

(2) **Property Insurance.** The Partnership shall carry "special form" property insurance in an amount equal to 100% of the insurable replacement cost of the Project with coinsurance waived subject to a per loss deductible not to exceed \$10,000. If a coinsurance clause is in effect, an agreed amount endorsement is required. If Property is zoned as Legal Non-Conforming, endorsements shall extend coverage to building ordinance compliance, demolition and increased cost of rehabilitation. The policy shall not contain any exclusions for acts of terrorism unless waived by the Special Limited Partner. Blanket policies must include a statement of values and limits by property location. Such coverage shall also include business income/rents coverage in the minimum amount of 100% of annual income from the Property for a period of 12 months, and name the Investor Limited Partner as loss payee and the Special Limited Partner as additional insured. Protective Safeguards and Warranties must be deleted. There can be no exclusion or sub-limit applicable for wind, hail or named storm.

(a) If any **boiler or other machinery** is located on the Property, the Partnership shall maintain boiler and machinery insurance on a comprehensive form basis, including repair and replacement coverage and rent loss coverage meeting the requirements of subsection (a) above with mechanical breakdown extension. If coverage is provided by a carrier separate from the Property policy, a joint loss agreement must be included.

(b) **Earthquake Insurance.** If required, in seismic Zone III or IV, a seismic report must be completed to determine the Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL). If the SUL is shown to have an expected damage ratio of less than 25%, then earthquake insurance will not be required. If earthquake coverage is required, it must be in effect for both construction and permanent phases in an amount not less than full replacement cost, unless otherwise approved by the Partners as of the Closing Date.

The Deductible is not to be in exceed of 10% of the total insured value and will include Business Income/Rent Loss coverage for 12 months.

(c) **Flood Insurance.** If the Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). Policies must be obtained through the National Flood Insurance Plan (NFIP) in an amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. An excess Flood or Difference in Conditions (DIC) policy will be required for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. Flood policies must be in full effect for both the rehabilitation and permanent phases.

(d) **Other Coverages.** The Partnership shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include environmental, professional liability, windstorm, mine subsidence, settling, sinkhole, sprinkler leakage, personal property, supplemental liability, or coverages of other property-specific risks.

(3) **Commercial General Liability (ISO-Occurrence form)** insurance with a per occurrence limit for bodily injury and property damage in the amount of not less than \$1,000,000 per location or per project) with a minimum aggregate limit of \$5,000,000 (which may be in the form of umbrella/excess liability insurance), including, products/completed operations, personal & advertising injury, fire legal liability, medical payments, independent contractors, explosion/ collapse/ underground (**XCU**), coverage for contractual liability assumed under all agreements associated with the Project with a deductible or self-insured retention limit not to exceed \$10,000.

The Other insurance clause shall be deleted and as such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles.

If applicable, proof of Worker’s Compensation at statutory limits should be provided.

Note: All policies must contain 30 days’ notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days’ notice shall be given. A minimum financial rating from AM-Best of A-VIII is required. A Confirmation of premiums paid in full is required.

INSURANCE REQUIREMENTS FOR THIRD PARTY MANAGEMENT AGENT

1. **Property Manager Responsibilities.** The General Partner shall cause the Property Management Agreement to require the Property Manager to obtain, and maintain in full force and effect, at all times with respect to the Project the insurance coverage as required by Exhibit J-1. The Property Management Agreement shall require the Property Manager to provide the General Partner with evidence of the required coverage in the form of current certificates of insurance for as long as the Property Management Agreement shall remain in force.

2. **Property Manager Coverages.** In addition to the partnership coverages required by Exhibit J-1, the Property Manager shall obtain and maintain in full force and effect, at all times with respect to the services it provides to the Partnership the following policies of insurance:

(a) Commercial General Liability (ISO-Occurrence form) insurance with a per occurrence limit for bodily injury and property damage in the amount of not less than \$1,000,000 (per location) with a minimum aggregate limit of \$5,000,000 (which may be in the form of umbrella/excess liability insurance), including products/completed operations, personal & advertising injury, fire legal liability, medical payments, coverage for contractual liability assumed under all agreements associated with the Project, with a deductible or self-insured retention limit not to exceed \$10,000. The Partnership, the Investor Limited Partner and the Special Limited Partner are to be additional insureds;

(b) Workers Compensation insurance as required by the state in which the work is to be performed, including Employer's Liability with a minimum statutory limit;

(c) A fidelity bond or crime insurance in an amount not less than six (6) months of Project gross rental receipts; such bond or insurance must provide third party coverage, and if traditional bond does not extend the necessary coverage, then a third party fidelity bond must be secured;

(d) Commercial automobile liability insurance in an amount not less than \$1,000,000 (combined single limit), including owned, hired and non-owned vehicles; and

(e) Management Agent's professional errors and omissions insurance in an amount not less than \$1,000,000.

Note: All policies must contain 30 days' notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days' notice shall be given. A minimum financial rating from AM-Best of A- VIII is required. A confirmation of premiums paid in full is required.

INSURANCE REQUIREMENTS DURING REHABILITATION

1. **Contractor.** Prior to commencement of any work and until final completion and final acceptance of the work by the owner, the Contractor shall, at its sole cost and expense, maintain the following insurance:

(a) Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per occurrence, per project with an aggregate of not less than \$5,000,000 (which may be in the form of umbrella/excess insurance) covering the following perils: Products/completed operations (\$2,000,000) for one year after completion of the Project; special form property damage including premises and operations, products and completed operations for one year after completion of the Project; independent contractors; insured contracts, explosion, collapse and underground (XCU) hazards; coverage for contractual liability assumed under all agreements related to the Project; and Professional Liability, if Contractor hires engineers rather than Architect. Coverage should be on an occurrence basis and be primary and non-contributory coverage. Maximum deductible is \$10,000.

(b) Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles utilized by contractor in connection with the Project.

(c) Workers Compensation insurance as required by the state in which the work is to be performed, including Employer's Liability with a minimum statutory limit.

(d) The Partnership, the Investor Limited Partner and the Special Limited Partner shall be named as additional insureds.

(e) The Other Insurance clause shall be deleted and such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

(f) The Partnership shall not be responsible for any loss of or damage to property of any kind owned, rented or leased by the Contractor or subcontractor, except for property which will be incorporated into and become a permanent part of the Project. The Contractor shall obtain, and shall cause each subcontractor as applicable, to purchase and maintain "special form" contractor's equipment floater on all machinery, tools, equipment and any similar property in an amount at least equal to their fair market value.

(g) Subcontractors shall provide coverages as outlined in (a) through (c) above with limits acceptable to the Contractor as set forth in Attachment IR attached hereto. Subcontractors will also comply with requirements of (d) through (f).

2. **Builder's Risk.** The General Partner shall purchase and maintain, or shall require the Contractor to purchase and maintain, property insurance written on a builder's risk, "special form" or equivalent policy form in the amount of the Construction Contract sum (including the value of any modifications) on a replacement cost basis, including hard and soft costs with no coinsurance applicable. The Partnership is to be a named insured, the Special Limited Partner is to be named an additional insured, and the Investor Limited Partner is to be named a loss payee. If obtained by the Contractor, the Partnership and Special Limited Partner shall be named as additional insureds and the Investor Limited Partner as loss payee. Completed Value Non-

Reporting form required with permission to occupy included. Loss of Income/Rents for 12 months to be included for rehabilitation projects, unless waived by the Investor Limited Partner in its sole discretion. Confirmation required that all protective safeguards and warranties are deleted. Building Law & Ordinance Endorsement required for properties that are Legal Non-Conforming. Such insurance shall be maintained until final payment has been made to the Contractor. Such policies shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, sprinkler leakage, windstorm, falsework, testing and startup, temporary buildings, portions of the work stored off site, all portions of the work in transit, debris removal including demolition occasioned by the enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

3. **Other Coverages.** The Partnership shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include environmental, windstorm, mine subsidence, settling, sinkhole, personal property, supplemental liability, or coverages of other property-specific risks. Partial occupancy or use shall not commence until the insurance company providing the property insurance has consented to such partial occupancy or use by endorsement or otherwise. The General Partner shall take no action with respect to partial occupancy or use that would cause the cancellation, lapse or reduction of insurance.

4. **Architect.** The Architect shall obtain, and maintain in full force and effect, at all times with respect to the Project, the following policies of insurance:

(a) Commercial general liability insurance in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate which shall name the Partnership as an additional insured.

(b) Professional liability insurance in an amount not less than \$1,000,000.

Note: All policies must contain 30 days' notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days' notice shall be given. Minimum financial rating from AM-Best of A- VIII is required. Confirmation premiums paid in full is required.

ATTACHMENT IR – SUBCONTRACT INSURANCE REQUIREMENTS

1. **Worker’s Compensation.** Worker’s Compensation insurance shall be provided as required by any applicable law or regulation. Employers Liability insurance shall be provided in amounts not less than:

- \$1,000,000 each accident for bodily injury
- \$1,000,000 each employee for bodily injury by disease
- \$1,000,000 policy limit for bodily injury by disease

If there is any exposure to Subcontractor’s employees under the U.S. Longshoremen’s and Harbor Worker’s Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees coverage shall be included for such injuries or claims.

2. **General Liability Insurance.** General Liability insurance shall be written on the Commercial General Liability (Occurrence) policy form covering all operations by or on behalf of Subcontractor providing insurance for bodily injury, property damage and personal injury liability for the limits of liability stated below and including coverage for:

- premises and operations;
- products and completed operations;
- contractual liability insuring the obligations assumed by Subcontractor in this Agreement;
- broad form property damage (including completed operations);
- explosion, collapse and underground hazards;
- liability which Subcontractor may incur as a result of operations, acts or omissions of its lower tiered subcontractors or suppliers and their agents or employees; and
- subsidence of land

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit, where applicable, shall apply separately to Subcontractor’s work under this Agreement.

3. **Minimum scope of insurance.** Coverage shall be at least as broad as:

- Commercial General Liability (Insurance Services Office policy form CG 0001).
- “Claims Made” or “Modified Occurrence” form is not acceptable without prior approval of Contractor.

4. **Minimum Limits of Liability.** The limits of liability shall not be less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage, \$1,000,000 for Personal Injury, \$1,000,000 General Aggregate and \$1,000,000. The General Aggregate limit shall apply separately to the Subcontractor’s work under this contract and defense costs shall not be included in the limit or the General Aggregate limit shall be increased to \$2,000,000.

The limits of liability required under the Commercial General Liability policy form may be satisfied by a combination of limits provided by the CGL policy form plus limits provided by Umbrella or Excess Liability policies.

5. **Automobile Liability Insurance.** Automobile Liability insurance shall apply to all owned, hired and non-owned autos. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office policy form CA 0001. If Subcontractor or its subcontractors haul hazardous waste or contaminated materials, they must carry automobile liability insurance with coverage for pollution events arising from such cargo by vehicular accidents, leaks, releases or loading and unloading. Such coverage must be provided by not less than attachment of the MCS 90 endorsement to the policy.

6. **Watercraft Liability Insurance.** If the Subcontractor or its lower tiered subcontractors use any owned, leased, chartered or hired watercraft of any type in the performance of this Agreement, they shall maintain watercraft liability insurance in an amount not less than \$1,000,000 per occurrence.

7. **Aircraft Liability Insurance.** If the Subcontractor or its lower tiered subcontractors use any owned, leased, chartered or hired aircraft of any type (including helicopters) in the performance of this contract, they shall maintain Aircraft Liability insurance in an amount not less than \$5,000,000 per occurrence including Passenger Liability.

8. **Professional Liability Insurance.** If the Subcontractor or its subcontractors provide design or design/build services to the Project, they shall provide Professional Liability insurance in an amount not less than \$1,000,000 and in forms acceptable to the Contractor prior to commencement of design activities. The coverage must include contractual liability assumed under this Agreement. Design Professionals, including but not limited to Architects and Engineers, shall provide Professional Liability insurance in an amount not less than \$1,000,000 and in forms acceptable to the Contractor prior to commencement of design activities. The coverage must include contractual liability assumed under this Agreement.

9. **Builder's Risk Insurance.** If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's Work, then Subcontractor shall be responsible for the insurance deductible amount applicable to damage to Subcontractor's Work and/or damage to other work caused by Subcontractor.

Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment insurance in force for the Project and procured by Contractor. Subcontractor shall satisfy itself as to the adequacy of such policy prior to the commencement of Subcontractor's Work.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Subcontract Documents, Subcontractor shall procure and maintain at its own expense property and equipment insurance for portions of Subcontractor's Work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's Work, then Subcontractor may procure such insurance

at its own expense as will protect the interests of Subcontractor and its subcontractors in the Work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

10. **Contractor's Pollution Liability Insurance.** If Subcontractor or its lower tiered subcontractors are required to perform remedial operations such as excavation and/or removal of contaminated soils or hazardous wastes, then they must carry a Contractor's Pollution Liability insurance policy with limits not less than \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage.

11. **Asbestos/Lead/Mold Abatement Liability Insurance.** If Subcontractor or its subcontractors are required to perform Asbestos or Lead or Mold Abatement operations, then they must carry Asbestos/Lead/Mold Abatement Liability insurance with limits not less than \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage. This coverage may be combined with the General Liability coverage required under paragraph 2 of this Addendum. The coverage must be written on an "Occurrence" form. A "Claims Made" or "Modified Occurrence" form is not acceptable without prior approval of Contractor.

EXHIBIT J-4

ADMINISTRATIVE REQUIREMENTS FOR EXHIBITS J 1-4

1. **Carrier Requirements.** All of the insurance policies required hereunder shall (a) be written by insurance companies which are licensed to do business in the State where the Project is located or otherwise in conformity with the laws of such State, in a General Policy holder Rating of A- or higher, and a Financial Rating of VIII or better, as reported in the most current issue of Best's Insurance Guide, or as reported by Best on its internet web site; (b) except workers comp and professional liability, such insurance shall specifically identify the Investor Limited Partner and the Special Limited Partner as an additional insured; and (c) include a provision requiring the insurance company to notify the Investor Limited Partner in writing no less than thirty (30) days prior to any cancellation, non-renewal or material change in the terms and conditions of coverage. In addition, the General Partner shall provide the Investor Limited Partner with certificates of insurance and certified copies of all insurance contracts required hereunder within thirty (30) days of their inception and subsequent renewals.

2. **Review of Coverage.** The General Partner shall review regularly all of the Partnership and Project insurance coverage to insure that it is adequate. In particular, the General Partner shall review at least annually the insurance coverage required hereunder to insure that it is in an amount at least equal to the then current full replacement value of the Improvements.

Additional Insured. The clause used to refer to the Investor Limited Partner must read verbatim as follows:

Aegon LIHTC Fund 52, LLC,
and its Successors, assigns and affiliates,
[as their interest may appear]
c/o AEGON USA Realty Advisors, LLC
lihtcreporting@aegonusa.com
Attn: LIHTC Reporting
4333 Edgewood Rd. NE
Cedar Rapids, IA 52499-5553

The clause used to refer to the Special Limited Partner must read verbatim as follows:

Transamerica Affordable Housing, Inc.,
and its Successors, assigns and affiliates,
[as their interest may appear]
c/o AEGON USA Realty Advisors, LLC
lihtcreporting@aegonusa.com
Attn: LIHTC Reporting
4333 Edgewood Rd. NE
Cedar Rapids, IA 52499-5553

3. **Certificates of Coverage and Policies.** The General Partner shall provide copies of all such insurance policies to the Investor Limited Partner promptly after receipt thereof. Binders are acceptable for a period not to exceed 90 days. In the event hereafter there are exclusions,

redefinitions, or other modifications by the insurance industry to any standard form of coverage specified hereinabove and such changes materially increase risks to the Partnership, the foregoing requirements shall, to the extent feasible, be deemed to include the same coverage of such risks as presently required.

4. **Notice.** The Limited Partners must be immediately notified of any physical damage, additional improvements or other factors affecting any insurance contract, including any claims under the Partnership Insurance.

5. **Limitation of Liability.** The General Partner hereby releases and relieves the Investor Limited Partner and the Special Limited Partner 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 of the foregoing policies, and any other perils for which the General Partner is responsible for arranging such insurance.

The Special Limited Partner reserves the right to modify the insurance requirements as conditions warrant.

PROPERTY MANAGEMENT AGREEMENT

**TAX CREDIT/HUD
MANAGEMENT AGREEMENT
FOR
ST. MARKS APARTMENTS
(Project)**

This Agreement is made this 1 day of July 2016, between St. Mark's Preservation, L.P., (the "Owner") and FPI MANAGEMENT, INC. (the "Agent").

1. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this agreement.
2. Description of Project. The property (the "Project") to be managed by the Agent under this Agreement is a multi-family housing development consisting of the land, buildings, and other improvements, which make up the Project known as **St. Marks Apartments**. The Project is further described as follows:

Name:		St. Marks Apartments
Location:	Address	392-394 12 th Street
	City	Oakland
	County	Alameda
	State	California (94607)

No. of Dwelling Units: 102

3. Definitions. As used in this Agreement:
 - A. A "Mortgage" is an instrument of agreement between the Owner, as mortgagor, and the mortgagee, creating a lien on the Project as security for the payment of debt.
 - B. "Mortgagee" means any holder of the Mortgage.
 - C. "Principal Parties" means the Owner and the Agent.
4. Basic Information. N/A
5. Marketing. The Agent shall carry out the marketing activities necessary to advertise the availability for rental of the dwelling units, and the Agent shall also display appropriate "for rent" signs thereon. Owner agrees to assume and be responsible for all expenses in connection with the marketing activities for the Project.
6. Rentals. The Agent will offer for rent and will rent the dwelling units in the Project. Incident thereto, the following provisions will apply:
 - A. The Agent will make preparation and establish a plan for initial rent-up.
 - B. The Agent will follow the tenant selection policy as defined by the Agent.
 - C. The Agent will show the premises to prospective tenants.
 - D. The Agent will take and process applications for rentals. If an application is rejected, the applicant will be told the reason for rejection noted thereon.
 - E. The Agent will prepare all dwelling leases and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases will comply with laws of the State of California.

F. The Owner will furnish the Agent with rent schedules, which reflect the rents that Agent is to charge for the respective dwelling units. In no event will such rents and other charges be exceeded or changed by Agent without the prior consent of Owner.

G. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government. Earned interest will go to benefit the project. This account will be carried in the **Owner's** name and designated of record as **(St. Marks Apartments) Security Deposit Account**".

7. Collection of Rents and Other Receipts. The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 6g above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits will be carried in the **Owner's** name and designated of record as "**(St. Marks Apartments) Operating Account**".

8. Banking. The Agent will establish all operating, security deposit, reserve accounts, tax and insurance impound accounts with Wells Fargo Bank or another bank if designated by Owner. The preceding banks provide a positive pay accommodation. In the event there is a fraudulent draft for funds, these banks will indemnify any loss.

In the event the Owner elects to utilize the services of a bank other than the above listed banks, and such bank does not provide a positive pay accommodation, the Owner indemnifies the Agent from any loss resulting from a fraudulent draft by an individual other than an FPI employee.

9. Enforcement of Leases. The Agent will secure full compliance by each tenant with the terms of his lease. Voluntary compliance will be emphasized, and the Agent, will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with said management of the Project. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to non-payment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel to be designated by the Owner, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, the Agent keeps the Owner informed of such actions and follows such instructions as the Owner may prescribe for the conduct of any such action.

Subject to the Owner's approval, attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Rental Agency Account as Project expenses and be the responsibility of the Owner.

10. Maintenance and Repair. The Agent will maintain the Project in good repair in accordance with local codes, and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provisions will apply:

- A. Special attention will be given to preventive maintenance and, to the greatest extent feasible; the services of regular maintenance employees will be used.
 - B. The Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems, and for extraordinary repairs beyond the capability of regular maintenance employees.
 - C. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
 - D. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to proper maintenance and repair. All expenses incurred for proper maintenance and repair of the Project are the responsibility of the Owner.
 - E. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds One thousand dollars (\$1,000) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
 - F. The Agent will physically inspect each contract unit prior to commencement of occupancy by any tenant and at least annually thereafter.
11. Utilities and Services. In accordance with the operating budget, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone services. The Agent will make such contracts as may be necessary to secure such utilities and services.
12. Employees. The Agent will prescribe the number, qualifications and duties of the personnel to be regularly employed in the management of the Project, including a Resident Manager, maintenance, bookkeeping, clerical, and other managerial employees. All such on-site personnel will be employees of the Agent and will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:
- A. The Resident Manager will have duties of the type usually associated with this position. The Resident Manager will be directly responsible to the Agent's Project Manager or other officer. The Resident Manager will coordinate the activities of the Project in the interest of good overall management.
 - B. The compensation (including fringe benefits) of the Resident Manager and the maintenance employees will be defined by the Agent. Compensation of on-site bookkeeping, clerical and other managerial personnel (if applicable) will be within the Agent's discretion, provided minimum wage standards are met.
 - C. The Owner will reimburse the Agent for compensation (including fringe benefits) payable to the on-site management and maintenance employees, defined by the Agent, and for all local, state, and Federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, workman's compensation insurance), vacation accrual, electronic payroll processing and for medical and dental benefits incident to the employment of such

personnel. Such reimbursements will be paid out of the Rental Agency Account and will be treated as Project expense.

- D. Compensation (including fringe benefits) payable to the on-site staff, such as the Resident Manager and all bookkeeping, clerical, and other managerial personnel, for medical and dental benefits plus all local, state, and Federal taxes and assessments incidents to the employment of such personnel will be borne solely by the Project, and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free to the Resident manager will be treated as a cost to the Project.

13. Disbursements from Rental Agency Account

- A. From the funds collected and deposited by the Agent in the Rental Agency Account pursuant to Section 6g and 7 above, the Agent will make the following disbursements promptly when payable:

- (1) Reimbursement to the Agent for compensation payable to the employees specified in Subsection 12D above, for medical and dental benefits and for the taxes and assessments payable to local, state, and Federal governments in connection with the employment of such personnel.
- (2) The single aggregate payment required to be made monthly by the owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance, premium, if any, ground rents, taxes and assessments, fire and other hazards insurance premiums, and the amount specified in the Certificate of Incorporation or Regulatory Agreement for allocation to the Reserve for Replacements, if any.
- (3) All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 24 below, for its service hereunder.

- B. Except for the disbursements mentioned in Subsection 13A above, funds will be disbursed or transferred from the Rental Agency Account only as the owner may from time to time direct in writing.

- C. In the event the balance in the Rental Agency Account is at any time insufficient to pay disbursements due and payable under Subsection 13A above, the Agent will inform the Owner of that fact and the Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its own funds to pay such disbursements.

14. Budgets. Owner and Agent hereby acknowledge that they will approve annual operating budgets for each fiscal year for the term of the agreement. The Agent will keep the owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

15. Records and Reports. The Agent will have the following responsibilities with respect to records and reports:

- A. The Agent will establish and maintain a comprehensive system of records, and books satisfactory to the Owner. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.

- B. If requested by the Owner, with respect to each fiscal year ending during the term of this agreement, the Agent will have an annual financial report prepared by Certified Public Accountant or other person acceptable to the Owner based upon the preparer's examination of the books and records of the Owner and the Agent. The report will be prepared in accordance with general accepted accounting principles and will be certified by the preparer and the Agent, and will be submitted to the Owner within (60) days after the end of the fiscal year. Compensation for the preparer's services will be paid out of the Rental Agency Account as an expense of the Project.
 - C. The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.
 - D. By the twentieth (20th) day of each month, the Agent will furnish the Owner with a complete financial statement including Balance Sheet and Profit & Loss.
 - E. Owner and Agent agree that all bookkeeping, clerical and the management overhead expenses (including but not limited to the cost of office supplies and equipment, postage, transportation for managerial personnel, and telephone services related to the Agent's own offices and direct employees) will be borne by the Agent out of his own funds and will not be treated as a Project Expense. The cost of office supplies and equipment, data processing, or bookkeeping services, bank account charges, postage, auditing, forms, and telephone services related to the on-site operation, shall be borne by the Owner out of his own funds and will be treated as Project Expenses.
16. Fidelity Bond. The Agent will furnish, at its own expense, a fidelity bond in the principal sum of Two Million Dollars (\$2,000,000.00), which is at least equal to the gross potential income for two months and is conditioned to protect the Owner against misappropriation of Project funds by the Agent and its employees.
17. Bids and Purchase Discounts, Rebates or Commissions, etc. The Agent on behalf of the Project Owner agrees to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the project and to secure and credit to the project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the project. The Management Agent agrees that all goods and services purchased from individuals or companies having an identity-of-interest with the Management Agent shall be purchased at costs not in excess of those that would be incurred in making arms-length purchases on the open market.

The Agent shall solicit written cost estimates (i.e. bids) from at least three contractors or suppliers for any work item which the Project Owner and Agent estimates will cost \$5,000 or more and for any contract or on-going supply or service arrangement which is estimated to exceed \$5,000 per year. The Agent agrees to accept the bid, which represents the lowest price taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance, and the time frame within which the service or goods are needed. For any contract or ongoing supply or service arrangement obtainable from more than one source and estimated to cost less than \$5,000, the Agent shall solicit verbal or written cost estimates, as necessary to assure that the project is obtaining services, supplies, and purchases at the lowest possible cost. The Agent must make a written record of any verbal estimate obtained.

18. Tenant-Management Relations. The Agent will encourage and assist residents of the Project in forming and maintaining representative organizations to promote their common interest, and will maintain good-fair communication with such organizations to the end that problems affecting the Project and its residents may be avoided or solved on the basis of mutual self-interest.
19. On-Site Management Facilities. Subject to the further agreement of the Owner and Agent as to more specific terms, the Agent will maintain a management office within the Project and the Resident Manager will reside in one of the dwelling units in the Project, and the Owner will make no rental charge for the same.
20. Insurance. Owner is required to obtain and keep in force commercially prudent amounts of property and commercial liability insurance covering the Project and covering Owner as primary insured and, with respect to liability insurance, designating Agent as an insured and in amounts acceptable to Agent, as well as the Owner. ("Owner's Insurance"). At Owner's request, Agent will cause Owner's Insurance to be placed and kept in effect at all times. Agent will pay premiums for Owner's Insurance out of the Rental Agency Account, and premiums will be treated as operating expenses.

Owner's Insurance shall be primary and may be blanketed with other insurance carried by Owner or any affiliate of Owner. In connection with any losses, casualties, claims or suits by third parties or liabilities to third-parties, related to or arising from the Project, as between Owner's Insurance and any insurance Agent may have, Owner's Insurance shall be considered the primary coverage and any insurance maintained by Agent shall be secondary, excess and non-contributing to Owner's Insurance. Owner's insurers shall endorse these coverage requirements, as they are material to the parties' allocation of risk. All insurance will be placed with such companies, on such conditions and with such beneficial interest appearing thereon as shall be acceptable to the Owner, and shall be other wise in conformity with the mortgage. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.

21. Waiver of Subrogation. In so far as, and to the extent that, this provision may be effective without invalidating or making it impossible to obtain the applicable insurance, Manager and Owner agree that with respect to any hazard, liability, casualty or other loss or claim which is intended to be covered by insurance (a) the party suffering such hazard, liability, casualty, loss or claim releases the other party of and from any and all claims with respect to such loss; and (b) their respective insurance companies shall have no right of subrogation against the others or their respective agents, contractors, employees, licensees or invitees on account thereof.
22. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with and all governmental orders or other requirements affecting the Project, whether imposed by Federal, state, county or municipal authority, subject; however, to the limitation stated in Subsection 10e with respect to repairs.

Nevertheless, the Agent shall take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirements, within seventy-two (72) hours from the time of their receipt.

23. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing and employment on the grounds of race, color, national origin, religion, sex, disability, and familial status, including Title VI and VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), Fair Housing Amendments Act of 1974 and 1988, and Title I and III of the Americans with Disabilities Act.

24. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Rental Agency Account and treated as Project expenses. Such fees will be payable on the 30th day of each month commencing on the later of **November 1, 2016** and the acquisition closing date and continuing on a month-to-month basis.

Each such monthly fee will be in an amount equal to 3% of collected income. See attached Property Management Fee Structure.

25. Term of Agreement. This Agreement shall be in effect commencing on the later of **November 1, 2016** and the acquisition closing date subject, however, to the following conditions.

This Agreement may be terminated at the option of the Owner on 30 days written notice.

Upon termination of management agreement, Agent will provide trailing accounting for a sixty (60) day period, subsequent to the date of termination of management services. Thereafter, at Owner's request, any additional accounting services will be provided for a monthly fee equal to one half of the last monthly management fee paid, prior to termination.

In the event a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other, provided prompt written notice of such termination is given to each of the Consenting Parties.

26. Indemnification. The Owner agrees to indemnify, defend and save the Agent and its officers, directors, shareholders, employees, agents and representatives (collectively hereinafter referred to as the "Agent") completely harmless from any and all costs, expenses, attorney's fees, accounting fees, expert witness fees, suits, liabilities, damages, demands losses, recoveries, settlements or claims for damages, including but without limitation claims based in tort, personal injury, contract and/or any action or claim in any way relating to the Project (including but not limited to any actions or claims regarding hazardous materials) by the Agent or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Agent, such that the Agent shall not be liable for any error of judgment or for any mistake of fact or law, or for anything, which it may do or refrain from doing related to or arising from the Project, except where Agent is shown to have committed willful misconduct or its conduct is shown to have been grossly negligent.

Agent hereby agrees to indemnify, defend and hold Owner, its partners and their respective shareholders, officers, partners, members, agents and employees, completely harmless from any and all costs, expenses, attorneys' fees, accounting fees, expert witness fees, suits, liabilities, damages, demand losses, recoveries, settlements or claims for damages, including but without limitation claims based in tort, personal injury, contract and/or any action or claim in any way relating to the management of the Project, caused by Agent's gross negligence or willful misconduct.

27. Interpretative Provisions.

- A. This Agreement shall be binding upon the successors and assigns of the Agent and their heirs, administrators, executors, successors and assigns of the Owner.
- B. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed and approved by the Principal Parties.

- C. This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the counterparts.

28. Attorney's Fees.

If either party commences an action against the other party arising out of or in connection with this management agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

29. Procedures for Determining Resident Eligibility and for Certifying Incomes and Re-certifying Incomes.

- A. Residents will be qualified under Section 42 guidelines, by the project Resident Manager or Assistant Manager. All qualification processing is subject to review and approval by FPI Management, Inc. Property Manager.
- B. The on-site staff is aware of regulatory provisions as they relate to the on-site occupancy and eligibility requirements, focusing on family size and needs as they relate to unit size, Maximum Allowable Income Limits, and Maximum Allowable Rents as defined by Department of HUD and California Tax Credit Allocation Committee.

30. Tenant Admission and Leasing Policies.

- A. In addition, local newspapers, radio stations and other media will be sent press releases and marketing material, and be used to place classified advertising as necessary.

In addition, the Management Agent will regularly contact the local Housing Authority.

- B. Leasing policies and procedures are consistent with Section 42 qualifications and eligibility requirements. FPI Management, Inc. implements credit checks, past resident references, prior past resident references and employer references to ensure prospective residents will be an asset to the complex.
- C. FPI Management, Inc. has also established general tenant rules and regulations pertinent to occupancy. Each prospective tenant is informed of the occupancy rules as they relate to them. A copy of the occupancy rules is posted in the project offices and a copy is given to the tenant. Occupancy standards are as follows:

1 Bedroom	1 to 2 people
2 Bedroom	1 to 4 people
3 Bedroom	2 to 6 people
4 Bedroom	4 to 8 people

31. Plans for Tenant-Management Relations.

- A. Residents are personally oriented to the project by the on-site staff. The orientation program will be handled on an individual basis. This will be accomplished as each resident occupies his/her unit. Residents will be oriented to the complex and the surrounding areas. Location of shopping, schools, churches, community and tenant organizations will be made available.
- B. Management plans for tenant organization includes, annual gatherings sponsored and arranged by management.

- C. Recreation room facilities (if applicable) will be available for tenant organizations and/or meetings. Management representation and assistance is available for all tenant meetings.
- D. The Management Agent will employ sufficient on-site staff to have time available to assist in coordination of resident activities and community outreach. One of the primary responsibilities of the on-site staff will be the proactive involvement in property/community activities.

32. Termination of Leases and Evictions.

- A. On-site staff is knowledgeable of tax credit requirements regarding termination of leases and evictions. The Management Agent is responsible to assure that the implementation of such requirements is carried out correctly, in accordance with State and Local Laws.
- B. On-site staff is knowledgeable of tax credit requests regarding proper tenant notification for lease termination or eviction. The Management Agent is responsible to assure that the implementation of such requirements is carried out correctly in accordance with State and Local laws.

33. Tax Credit Compliance

To ensure quality, consistency and compliance with Section 42 Regulations, each property will contract with a third-party compliance consultant to review all move-in and recertification files.

Low Income Housing Tax Credit Program

The property will be operated in compliance with the tax credit program as provided in Section 42 of the Internal Revenue Code of 1986, as amended. The Agent agrees to use its best efforts to rent to residents who will qualify under the program. Agent will comply with Owner's Section 42 procedures as set forth in the Tax Credit Manual. The Agent will use its best efforts to insure that the required annual tax credit re-certification of existing tenants is completed in a timely manner. Agent understands that all correspondence, communication, reporting and procedures when dealing with the State Monitoring Authority are the responsibility of the Owner, unless specifically assigned to Agent.

The Agent shall certify annually that the Project, and each of its tenants, is in compliance with all regulations and requirements required to qualify the Owner to receive Housing Tax Credits with respect to the Project.

34. HUD Required Clauses.

HUD requires certain provisions in this Management Agreement. The following provisions therefore preempt any terms or conditions set forth in the foregoing Agreement to the contrary:

- A. Management fees will be computed and paid according to HUD requirements.
- B. HUD may require the Owner to terminate this Agreement:
 - 1. Immediately, in the event a default under the Mortgage, Note, Regulatory Agreement, or Subsidy Contract attributable to the Management Agent occurs; or
 - 2. Upon 30 days written notice, for failure to comply with the provisions of the Management Certification or other good cause; or
 - 3. When HUD takes over as MIP.

- C. If HUD terminates this Agreement, the Owner will promptly make arrangements for providing management satisfactory to HUD.
- D. HUD's rights and requirements will prevail in the event this Management Agreement conflicts with them.
- E. The Management Agent will turn over to the Owner all of the project's cash, trust accounts, investments, and records immediately, but in no event more than 30 days, after the date this Management Agreement is terminated.
- F. This Management Agreement does not exempt the Agent from all liability for damages and injuries. The Owner agrees to hold and save the Agent harmless when the Agent is carrying out the provisions of this Management Agreement, or is acting under the express or implied direction of the Owner unless such injuries or damage resulted from the Agents gross negligence or willful misconduct.
- G. This Agreement is for an open-ended term and shall remain in effect until cancelled by HUD, the Owner or the Agent.

If the length/term of the Agreement changes, the Owner/Agent must submit a new Management Certification.

WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the date first above written.

OWNER:

St. Marks Preservation, LP


By:  _____

By: *John Tatum, Authorized Signatory*

Tax Identification # 81-3141519

AGENT:

FPI MANAGEMENT, INC.,
A California Corporation

By:  _____
Dennis Treadaway
President

Tax Identification #68-0217638

PROPERTY MANAGEMENT FEE STRUCTURE

FPI Management, Inc. will provide comprehensive property management services for a fee of:

3% of collected income

Reimbursable expenses would be as follows:

- Project specific personnel cost Hourly and monthly compensation, bonuses, if any
- Workers compensation Per statutory requirements for each state
- Federal payroll tax Per federal statutory requirement
- Health insurance benefit Approx. \$525.95 per full-time employee, per month
- Payroll processing cost ADP—Between \$10.95 per employee, per pay period
- Property specific postage,
Federal Express, Express Mail,
U.S. Mail Per provider cost
- Annual mid-year training seminar Approximately \$100 per community director, plus
Travel cost
- Annual holiday event Approximately \$100 per community director, plus
Travel cost
- Online Grace Hill Training access \$.40 per unit, per month
- FPI Cloud Computing Platform \$.62 per unit, per month, billed directly from 3rd
party provider, plus Vault \$33.00 per email address, per year.
(Email archive)
- Bank analysis fees Actual charges from bank analysis statements
- Annual software license fee Yardi 6.0 – \$2,570 per year
Yardi Affordable - \$395 per year
Yardi Affordable - \$2 / per unit – One time set up fee
- 42U
(Tax Credit Online Training) \$59.00 per property, per year (*LIHTC Only*)
- Annual HUD Training \$750 per year, plus Travel cost (*Project Based Section 8 Only*)
- Compliance fee FPI Management contracts with Karen A. Graham
Consulting LLC. KAGC charges as follows:
\$23.50 per file for standard service
\$28.00 per file for high priority service
\$11.50 per self cert recertification standard service
\$13.50 per self cert recertification high priority service
(*LIHTC Properties Only*)

- Compliance fee FPI Management contracts with Karen A. Graham Consulting LLC. KAGC charges **\$27.00** per file certification or re-certification (***For HUD Program Compliance***)
- Accounting Costs No Accounting costs charged to the property

Note: Fees subject to change annually.

PROJECT DOCUMENTS

Closing Checklist



DUE DILIGENCE CHECKLIST – TCA 376 – St. Marks Preservation, LP

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
1.00	EQUITY CLOSING DOCUMENTS			
1.01*	Letter of Intent / Term Sheet		Investor/Sponsor	✓
1.02*	Second Amended and Restated Limited Partnership Agreement		Investor Counsel	✓
1.03	Executed First Payment Date Certificate		Investor Counsel	See 1.02
1.04	Unconditional Guaranty		Investor Counsel	✓
1.05	Partnership Management Agreement		Investor Counsel	✓
1.06	Development Services Agreement		Investor Counsel	✓
1.07*	Assignment, Pledge and Security Agreement		Investor Counsel	✓
1.08	Incentive Management Fee Agreement		Investor Counsel	✓
1.09	Repurchase Option Agreement		Investor Counsel	✓
1.10	Reserved		Investor Counsel	N/A
1.11	Purchase Option Agreement		Investor Counsel	✓
1.12	Environmental Indemnity		Investor Counsel	✓
1.13	UCC-1(s) in favor of AEGON		Investor	✓
1.14	Reserved		Investor Counsel	N/A
1.15	Architect's Certificate of Compliance		General Partner (<i>Form to be provided by Investor</i>)	✓
1.16	Accountant's Cert re 168(h)(6)(F)(ii)		General Partner	N/A
2	PROJECTIONS			
2.01	Projections		Investor/Sponsor	✓

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
3	CONSTRUCTION to PERMANENT LOAN DOCUMENTS – Bond Financing			
3.00	Lender: Citibank Amount: \$37,500,000 tax-exempt bond financing			
3.01	Commitment letter		Lender/Sponsor	✓
3.02	Loan Agreement		Lender's Counsel	N/A
3.03	A) Multifamily Note (Fixed Rate) B) Multifamily Note (Variable Rate)		Lender's Counsel	✓
3.04	Multifamily Deed of Trust		Lender's Counsel	✓
3.05	Assignment of Leases and Rents		Lender's Counsel	N/A
3.06	Security Agreement		Lender's Counsel	N/A
3.07	Guaranty		Lender's Counsel	N/A
3.08	UCC-1 Financing Statement		Lender's Counsel	
3.09	No Federal Funds Letter		Lender's Counsel	N/A
3.10	Estoppel Certificate		GP's Counsel/Lender's Counsel	N/A
3.11	Assignment of Deed of Trust and Loan Documents			✓
3.12	Construction Funding Agreement			✓
3.13	Completion & Repayment Guaranty			✓
3.14	Exceptions to Non-Recourse Guaranty			✓
3.15	Agreement of Environmental Indemnification			✓
3.16	Assignment of Capital Contributions, Pledge and Security Agreement			✓
3.17	Assignment of Equity Interests, Pledge and Security Agreement			✓
3.18	Assignment of Architect's Agreement			✓
3.19	Assignment of Construction Contract			✓
3.20	Assignment of Management Agreement			✓
3.21	Assignment of Project Documents			✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
3.22	Assignment and Subordination of Developer Fee			✓
3.23	Authorization to Request Advances			✓
3.24	Replacement Reserve Agreement			✓
3.25	Deposit Account Control Agreement			✓
3.26	Acknowledgement of Payment Direction			✓
3.27	Assignment of Housing Assistance Payments Agreement			✓
3.28	Various Documents	<ul style="list-style-type: none"> • SNDA (Laundry Lease) • 21. Estoppel (Commercial Lease - Souza Brothers) • 22. SNDA (Commercial Lease - Souza Brothers) • 23. Estoppel (Commercial Lease - Lotus Memorial) • 24. SNDA (Commercial Lease - Lotus Memorial) 		✓
4	PERMANENT LOAN DOCUMENTS			
5	SUBORDINATE LOAN DOCUMENTS			
5.00	Lender: St. Marks Preservation GP, LLC Amount: \$4,900,000			
5.01	Commitment letter		Lender/Sponsor	✓
5.02	Loan Agreement	N/A	Lender's Counsel	N/A
5.03	Promissory Note	Amended and Restated Promissory Note	Lender's Counsel	✓
5.04	Mortgage /Deed of Trust	Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing	Lender's Counsel	✓
5.05	Assignment of Leases and Rents	N/A	Lender's Counsel	N/A
5.06	Security Agreement	N/A	Lender's Counsel	N/A
5.07	Guaranty	N/A	Lender's Counsel	N/A
5.08	Regulatory Agreement	N/A	Lender's Counsel	N/A

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
5.09	UCC-1 Financing Statement	N/A	Lender's Counsel	N/A
5.10	No Federal Funds Letter	N/A	Lender's Counsel	N/A
5.11	Estoppel Certificate	N/A	GP's Counsel/Lender's Counsel	N/A
6	BOND DOCUMENTS			
6.00	Issuer: California Housing Finance Agency Amount: \$39,000,000			
6.01	Bond Application		General Partner	See 17.01
6.02	Bond Inducement Resolution		Issuer	Did not receive
6.03	Bond Issuance Letter/Certification Authorizing Bond Issuance / Authorizing Resolution		Issuer	Did not receive
6.04	Bond Volume Cap Approval		Issuer	Did not receive
6.05	Preliminary Statement/Official Statement		Issuer's Counsel	Did not receive
6.06	Trust Indenture		Issuer's Counsel	Did not receive
6.07	Financing Agreement		Issuer's Counsel	Did not receive
6.08	Bond Regulatory Agreement		Issuer's Counsel	✓
6.09	Tax Credit Arbitrage Certificate		Issuer's Counsel	Did not receive
6.10	Bond Purchase Agreement		Issuer's Counsel	Did not receive
6.11	Evidence of TEFRA hearing/notice		Issuer	Did not receive
6.12	Bond Counsel Opinion		Issuer's Counsel	Did not receive
6.13	Specimen Bonds		Issuer's Counsel	Did not receive
6.14	Remarketing Agreement		Issuer's Counsel	Did not receive
6.15	Assignment and Intercreditor Agreement		Issuer's Counsel	Did not receive
6.16	Pledge, Security & Custody Agreement		Issuer's Counsel	Did not receive
6.17	Borrower Loan Agreement			✓
6.18	Funding Loan Agreement			✓
6.19	TEFRA Approval			✓
6.20	Fiscal Agent Counsel Opinion			✓
7	PARTNERSHIP ENTITY DOCUMENTS			
7.00	St. Marks Preservation, LP, a Delaware limited liability company			

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
7.01	Partnership Agreement/ Operating Agreement and any amendments thereto	Rec'd Amended and Restated Agreement of Limited Partnership dated 2/1/17	General Partner	✓
7.02	Certified by SOS a copy of Certificate of Limited Partnership/Articles of Organization and any amendments	A) Rec'd Certificate of Limited Partnership (DE) and Certificate of Amendment B) Rec'd Certificate of Registration/Foreign Limited Partnership (CA) and Foreign Limited Partnership Amendment	General Partner	✓
7.03	FEIN	Rec'd (81-3141519)	General Partner	✓
7.04	Good Standing/Existence Certificate	DE) CA)	GP Counsel	✓
7.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Searched w/ 30 days of closing	GP Counsel	✓
7.06	Financial Statement	N/A	General Partner	N/A
7.07	Federal Tax Return (for past 2 years)		General Partner	N/A
7.08	Officer's Closing Certificate	Comments circulated	General Partner (Form to be provided by Investor)	✓
7.09	Organizational Chart	Rec'd	General Partner	✓
7.10	LP Transfer Tax	Internal	Investor/Investor Counsel	✓
8	GENERAL PARTNER DOCUMENTS			
8A.00	AOF St. Marks LLC, a California limited liability company (Managing GP)			
8A.01	Operating Agreement	Rec'd Operating Agreement dated 8/22/2016	General Partner	✓
8A.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd Articles of Organization filed with CA SOS on 8/22/2016	General Partner	✓
8A.03	FEIN	Rec'd	General Partner	✓
8A.04	Good Standing/Existence Certificate		GP Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
8A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents		GP Counsel	✓
8A.06	Financial Statement	N/A	General Partner	NA
8A.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
8A.08	Schedule of Real Estate Owned	N/A	General Partner	N/A
8A.09	Schedule of Contingent Liabilities	N/A	General Partner	N/A
8A.10	Officer's Closing Certificate with Resolution/Incumbency Certificate		General Partner (<i>Form to be provided by Investor</i>)	✓
8A.11	IRS Determination Letter	N/A	General Partner	N/A
8B.00	St Marks Preservation GP, LLC, a Delaware limited liability company (Administrative GP)			
8B.01	Operating Agreement	Rec'd dated 6/13/2016 and Rec'd First Amendment to Limited Liability Company Operating Agreement dated 2/6/17	General Partner	✓
8B.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd Certificate of Formation (DE) Rec'd Certificate of LLC (CA)	General Partner	✓
8B.03	FEIN	Rec'd	General Partner	✓
8B.04	Good Standing/Existence Certificate	DE) CA	GP Counsel	✓
8B.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	DE) CA)	GP Counsel	✓
8B.06	Financial Statement	N/A	General Partner	N/A
8B.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
8B.08	Schedule of Real Estate Owned	N/A	General Partner	N/A
8B.09	Schedule of Contingent Liabilities	N/A	General Partner	N/A
8B.10	Officer's Closing Certificate with Resolution/Incumbency Certificate		General Partner (<i>Form to be provided by Investor</i>)	✓
8B.11	IRS Determination Letter		General Partner	N/A
8C.00	AOF/Pacific Affordable Housing Corp.			
8C.01	Bylaws	Rec'd	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
8C.02	Articles of Incorporation	Rec'd Articles of Incorporation and the Amendment to Articles of Incorporation	General Partner	✓
8C.03	FEIN	Rec'd	General Partner	✓
8C.04	Lien Searches		GP Counsel	✓
8C.05-10	Reserved			Reserved
8C.11	Certificate of 501(c)(3) Status	Rec'd	GP Counsel	✓
9	DEVELOPER DOCUMENTS			
9.00	Fairstead Affordable LLC, a Delaware limited liability company			
9.01	Operating Agreement	Rec'd Operating Agreement dated May 6, 2016	General Partner	✓
9.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd Certificate of Formation filed 5/6/2016	General Partner	✓
9.03	FEIN	Rec'd	General Partner	✓
9.04	Good Standing/Existence Certificate	a)DE B)CA	GP Counsel	✓
9.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	A)DE B)CA	GP Counsel	✓
9.06	Financial Statement	Rec'd balance sheet – April 2017	General Partner	✓
9.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
9.08	Schedule of Real Estate Owned	Rec'd	General Partner	✓
9.09	Schedule of Contingent Liabilities	N/A	General Partner	N/A
9.10	Officer's Closing Certificate with Resolution/Incumbency Certificate		General Partner (<i>Form to be provided by Investor</i>)	✓
10	GUARANTOR DOCUMENTS			
10.00	See Section 9 - Fairstead Affordable LLC			
10A.00	Stuart Feldman			
10A.06	Financial Statement	DO NOT ADD TO SHAREFILE	General Partner	OK
10A.07	Federal Tax Return (for past 2 years)	DO NOT ADD TO SHAREFILE	General Partner	OK
10A.08	Schedule of Real Estate Owned	Rec'd	General Partner	OK
10A.09	Schedule of Contingent Liabilities	Rec'd	General Partner	OK
11	DEVELOPMENT TEAM RESUMES			
11.01*	Developer Resume	Rec'd	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
11.02*	a) Contractor Resume b) General Contractor Questionnaire	a)Rec'd information b) See above	General Partner	✓
11.03*	Architect Resume	Rec'd	General Partner	✓
11.04*	Property Manager Resume	Rec'd	General Partner	✓
11.05*	Other Resumes (References, if applicable)	N/A	General Partner	N/A
12	PROJECT CONSTRUCTION DOCUMENTS			
12.01	Architect's Contract		General Partner	✓
12.02*	a)Construction Contract b)Buy-Out Log c)Construction Budget d)Construction Schedule		General Partner	✓
12.03*	Payment and Performance Bonds – a) Form AIA 312 and b) with Dual Oblige Language		General Partner	✓
12.04	Initial Cost Review		3 rd party (to be completed with information provided by General Partner)	✓
12.05	Property Needs Assessment Report		General Partner	✓
12.06	Geotechnical Report		General Partner	✓
12.07	PML Analysis / Seismic Report		3 rd party (ordered by Investor)	✓
12.08	Plans and Specifications		General Partner	✓
12.09	Evidence of Availability of utilities for water, sewer, gas, & electric		General Partner	See 12.05
12.10	Building Permits / Certificate of Occupancy		General Partner	✓
12.11	Site Plan		General Partner	See 15.02
12.12	Evidence of Compliance with all Permitting, Zoning, and Land Use Requirements		General Partner	✓
12.13	a) Professional Services Agreement (Non-MSA) b) Invoice		Investor	✓
12.14	Reserved		Investor	N/A

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
12.15	Energy Audit Report	<i>Rec'd</i>		---
12.16	Existing Structure Measurements and Material Testing	<i>Rec'd</i>		----
13	PROJECT FINANCIAL INFORMATION			
13.01	Property Tax Abatement Information		General Partner/GP Counsel	See 20.01(B)
13.02	Utility Allowances		General Partner	N/A
13.03*	Market Study/Feasibility Study		(a) General Partner to provide existing market study (b) 3 rd Party (ordered by Investor)	✓
13.04	Detailed Operating Budget (including staffing plan and utility expense justification)		General Partner	✓
13.05	Rent Rolls and Historic Operations		General Partner	✓
14	INSURANCE CERTIFICATES			
14.00	All insurance reviews are being performed by our third party reviewer			
	14.01) Third Party Insurance Consultant Review 14.02) Partnership Property Insurance 14.03) Partnership General Liability Insurance 14.04) Management Agent Insurance (fidelity bond) 14.05) Contractor's Insurance 14.06) Architect's Insurance 14.07) Builder's Risk Insurance 14.08) Civil Engineer's Insurance 14.09) Other – Earthquake insurance required -		Third Party (with information provided by General Partner or GP insurance broker)	✓
15	PROJECT ACQUISITION DOCUMENTS			
15.01	a) Title Insurance Commitment b) Title Exception Documents		General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	c) Proforma including endorsements d) Owner's Policy			
15.02	ALTA Survey with ILP form of certificate		General Partner	✓
15.03	a) Ground Lease b) Amended and Restated		GP Counsel	N/A
15.04	Appraisal		General Partner	✓
15.05	Purchase and Sale Agreement		General Partner	✓
15.06	Acquisition Deed		GP Counsel	✓
15.07	Settlement Statement for Project Acquisition		General Partner	N/A
15.08	Evidence of 10-year ownership/chain of title search		General Partner	N/A
15.09	Seller's Certificate (10-year Rule)		Investor Counsel	N/A
15.10	Buyer's Certificate (10-year Rule)		Investor Counsel	See 1.02
15.11	Seller Information			✓
15.12	Commercial Tenant Leases	Rec'd Lotus Lease and Souza Lease		----
16	ENVIRONMENTAL REPORTS			
16.01	Environmental Phase I Report(s)	Rec'd Phase I Environmental Site Assessment (ESA) – EBI Consulting (EBI) (Project #1116007012) – 1/4/17	General Partner	✓
16.02	Phase II	N/A	General Partner	N/A
16.03	Other report(s) – may include Radon, Asbestos, Lead Based Paint, and Mold	<ol style="list-style-type: none"> 1. Pre-Renovation Asbestos & Lead Survey Report – ACC (ACC) Environmental Consultants (Project #1656-001.00) – 3/7/17 2. Asbestos Operations & Maintenance Plan – EBI (Project #1116007012) – 1/4/17 3. Lead Paint Operations & Maintenance Plan – EBI (Project #1116007012) – 1/4/17 4. Moisture Management Plan - EBI (Project #1116007012) – 1/19/17 	General Partner	✓
16.04	Reliance letters) for reports		General Partner (<i>Investor to provide form</i>)	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
16.05	Additional Requirements (pre and/or post closing) – may include O&M Manuals and/or Plans	<ol style="list-style-type: none"> 1. If any asbestos abatement is required then a post-abatement asbestos abatement closure report be prepared by either the abatement contractor or an independent qualified environmental consultant be required (post-closing) 2. Obtain and review documentation of EPA lead-based paint (LBP) tenant notification within utilized leasing agreements (post-closing) 	General Partner	Post-Closing Requirement – See LPA
17	LOW-INCOME HOUSING TAX CREDIT INFORMATION			
17.01	Tax Credit Application	Rec'd	General Partner	✓
17.02	Tax Credit Reservation	Rec'd Tax Credit Reservation Rec'd 2016 Tax Credit Reservation 10 yr. hold opinion	General Partner	✓
17.03	42(m)(1)(D) Letter (Allocating Agency)	N/A	Issuer	N/A
17.04	42(m)(2)(D) Letter (Issuer)	Rec'd	Issuer	✓
17.05	Application for Carryover Allocation	N/A	General Partner	N/A
17.06	Carryover Allocation Agreement	N/A	General Partner	N/A
17.07	Evidence of 10% test	N/A	General Partner	N/A
17.08	Election to Lock-in Credit Rate	<i>Post-closing – letting it float</i>	General Partner	Post-Closing
17.09	Evidence of qualifying census tract or difficult development area for 130% basis boost (if applicable)	Rec'd	General Partner	✓
17.10	Evidence of State Volume Cap Compliance (IRS Form 8038)		Issuer's Counsel	Post-closing
17.11	Evidence of compliance with any conditions to reservation or carryover allocation of credits		General Partner	N/A
17.12	Copies of all material correspondence with Agency	<i>if applicable</i>	General Partner	N/A
18	HISTORIC TAX CREDIT INFORMATION N/A			
19	PROJECT USE RESTRICTION			
19.01	Section 42 - Extended Use Agreement		General Partner/GP Counsel	Post-closing

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
20	OPINIONS AND CERTIFICATES			
20.01(A)	Local Counsel Authority Opinion		GP Counsel	✓
20.01(B)	Welfare Tax Exemption Opinion			✓
20.02	Tax Opinion		Investor Counsel	✓
20.03	Tax Certification Letter		Investor Counsel	N/A
20.04	Zoning Opinion		General Partner/GP Counsel	N/A
21	PROPERTY MANAGEMENT DOCUMENTS			
21.01*	Property Management Agreement		General Partner	✓
21.02*	Marketing Plan (Tenant Selection Plan)		General Partner	Post-closing
21.03*	Management Plan		General Partner	N/A
21.04*	Form of Tenant Lease Agreement		General Partner	✓
21.05*	LIHTC Compliance Policies and Monitoring Procedures		General Partner	✓
21.06*	Form of Income Certification for Low-Income Tenants		General Partner	✓
21.07*	Social Service Agreements		General Partner/GP Counsel	N/A
21.08*	Relocation Plan		General Partner	✓
21.09*	Property Management Questionnaire		General Partner	✓
21.10*	Property Manager's Organizational Chart		General Partner	✓
21.11*	Schedule of Real Estate Managed		General Partner	✓
21.12*	Evacuation Plan		General Partner	✓
22	GOVERNMENT SUBSIDY AGREEMENTS (HAP CONTRACT) -			
22.01	Agreement to enter into HAP Contract		General Partner	N/A
22.02	Current HAP Contract		General Partner	✓
22.03	HAP Contract extension/commitment letter from HUD		General Partner	N/A

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	granting extension			
22.04	Collateral Assignment of HAP Contract		General Partner	N/A
22.05	HUD Consent to Assignment		General Partner	N/A
23	MISCELLANEOUS			
23.01	HUD 2530 Clearance		General Partner/Investor	✓
23.02	Escrow Letter		Investor Counsel	✓
23.03	Wire Instructions		General Partner	✓
23.04	Insured Closing Protection Letter		General Partner	N/A
23.05	Settlement Statement - Closing Requisition		General Partner	✓
23.06	First Requisition		General Partner	✓
23.07	Predevelopment Loan documents - (paid at closing?)	Rec'd Bridge Loan Documents between St. Marks Preservation, LP and Citibank, N.A. for \$18,700,000 dated 2/9/2017	General Partner	----

CONSENT FOR ELECTRONIC DISTRIBUTION

**Consent for Distribution of Schedules K-1 Electronically in Lieu of Paper Format
in accordance with Revenue Procedure 2012-17**

The IRS has issued Revenue Procedure 2012-17 regarding the rules partnerships must follow if they wish to distribute Schedules K-1, Partners' Share of Income, Deductions, Credits, etc., electronically in lieu of paper format.

Paper statement

Your Schedule K-1 will be furnished on paper if you do not consent to receive it electronically.

Scope and duration of consent

This consent applies to each Schedule K-1 required to be furnished after this consent form is executed until it is withdrawn in the manner described below.

Post-consent request for a paper statement

You may request a paper copy of your Schedule K-1 in addition to receiving your electronic copy. Such requests will not be treated as a withdrawal of this consent.

Withdrawal of consent

You may withdraw this consent by writing (electronically or on paper) to the Furnisher. A withdrawal of consent takes effect on the date it is received by the Furnisher, or on a subsequent date determined by the Furnisher and communicated to you within a reasonable period of time after the Furnisher receives the withdrawal. The Furnisher will confirm the withdrawal of consent and the date on which it takes effect in writing (either electronically or on paper).

A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in Revenue Procedure 2012-17 before the date on which the withdrawal of consent takes effect.

Notice of termination

Withdrawal from the partnership will be considered an automatic withdrawal of consent.

Updating information

The Furnisher will contact you if there is any change in the Furnisher's contact information. Please contact the Furnisher as soon as possible if you have any updates to your contact information.


The Schedule K-1 may be required to be printed and attached to a Federal, State or local income tax return.

I consent to receive my Schedule K-1 in an electronic format.

INVESTOR LIMITED PARTNER:

AEGON LIHTC FUND 52, LLC, a Delaware limited liability company

By: Aegon Community Investments 52, LLC, its Managing Member

By:  _____ **CFD**
Name: **LYNN C. AMBROSY**
Title: **VICE PRESIDENT**

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation

By:  _____ **CFD**
Name: **ARON HANSEN**
Title: **VICE PRESIDENT**

AMENDMENT TO
AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF

A LIMITED PARTNERSHIP

THIS AMENDMENT TO AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF _____, a _____ limited partnership (this “Amendment”), is made and entered into as of the ___ day of _____, 2010 (the “Effective Date”), by and among _____, a _____ (the “General Partner”), Aegon LIHTC Fund [____], LLC, a Delaware limited liability company (“Aegon [____]”), Aegon LIHTC Fund [____], LLC, a Delaware limited liability company (“Aegon [____]”), and Transamerica Affordable Housing, Inc., a California corporation (“TAH”), on the following terms and conditions:

RECITALS

A. General Partner, Aegon [____] and TAH entered into that certain _____ Amended and Restated Limited Partnership Agreement dated as of _____ ([as amended,] the “Partnership Agreement”) with respect to _____, a _____ limited partnership (the “Partnership”), pursuant to which Aegon [____] was admitted as the limited partner with a _____% limited partnership interest. All terms not otherwise defined herein shall have the meaning set forth in the Partnership Agreement.

B. Pursuant to Section [10.3] of the Partnership Agreement, Aegon [____] now desires to transfer all of its rights and obligations in its Partnership Interest, including, but not limited to, Aegon [____]’s entire right to allocations of profit, gain, income, loss and tax credits under the Partnership Agreement (the “Assigned Partnership Interest”) to Aegon [____].

C. Aegon [____] desires to assume all of the liabilities and obligations of Aegon [____] relating to the Assigned Partnership Interest under the Partnership Agreement.

D. The parties hereto desire to amend the Partnership Agreement to substitute Aegon [____] in place of Aegon [____] as the Investor Limited Partner.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties hereto do hereby agree that the Partnership Agreement is hereby amended on the following terms and conditions:

1. Assignment. As of the Effective Date, Aegon [____] hereby assigns, transfers and conveys to Aegon [____] (the “Assignment”) all of Aegon [____]’s rights, title and interest in and to the Assigned Partnership Interest, free and clear of all liens, claims, encumbrances or restrictions of any kind, except those arising under the Partnership Agreement, and states its intention that Aegon [____] become a Substituted Partner in the Partnership in Aegon [____]’s place with regard to the Assigned Partnership Interest.

2. Assumption. As of the Effective Date, Aegon [____] hereby accepts and agrees to be bound by the terms and provisions of the Partnership Agreement and assumes all obligations of the Investor Limited Partner thereunder relating to the Assigned Partnership Interest and states its intention to become a Substituted Partner in the Partnership in Aegon [____]’s place with regard to the Assigned Partnership Interest.

3. Substitution. Aegon [____] is hereby substituted as the Investor Limited Partner and Aegon [____] hereby withdraws as the Investor Limited Partner.

4. Acknowledgment. The General Partner and TAH hereby consent to and acknowledge the foregoing Assignment. The General Partner and TAH agree that, from and after the Effective Date, Aegon [____] shall be admitted as the Investor Limited Partner of the Partnership, entitled to all of the approval, voting and other rights, obligations and benefits of the Investor Limited Partner of the Partnership arising out of its ownership of the Assigned Partnership Interest and that Aegon [____] shall no longer be the Investor Limited Partner in the Partnership as to the Assigned Partnership Interest.

5. Representation/Certifications.

- a. Aegon [____] hereby represents and warrants that it has full power and authority to consummate the Assignment.
- b. Aegon [____] certifies that it is not a non-resident alien, foreign corporation, foreign trust or foreign state, within the meaning of Section 897 and 1445 of the Internal Revenue Code of 1986.
- c. Aegon [____] certifies that it is a Delaware limited liability company with the address and taxpayer identification number shown below:

Aegon LIHTC Fund [____], LLC
c/o AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE
Mail Drop 5553
Cedar Rapids, Iowa 52499-5553
Attention: LIHTC Reporting

Federal taxpayer identification number: 26-2094429

- d. Aegon [_____] certifies that it is a Delaware limited liability company with the address and taxpayer identification number shown below:

Aegon LIHTC Fund [_____] , LLC
c/o AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE
Mail Drop 5553
Cedar Rapids, Iowa 52499-5553
Attention: LIHTC Reporting

Federal taxpayer identification number: _____

6. Notices. Section [13.1] of the Partnership Agreement is hereby amended to have all notices to the Investor Limited Partner sent to:

Aegon LIHTC Fund [_____] , LLC
c/o AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE
Mail Drop 5553
Cedar Rapids, Iowa 52499-5553
Attention: LIHTC Reporting

7. Affirmation. Except for the foregoing, the parties hereto reaffirm the Partnership Agreement. The parties agree to cooperate in good faith to effect any further amendments to the Partnership Agreement or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the Assignment.

8. Headings. The headings used in this _____ Amendment are intended principally for convenience and shall not, by themselves, determine the parties' rights and obligations.

9. Counterparts. This _____ Amendment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single document.

10. Inconsistencies. If there are any inconsistencies between the terms of this _____ Amendment and the Partnership Agreement, the terms of this _____ Amendment shall control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this _____ Amendment as of the day and year first above written.

GENERAL PARTNER:

_____,
a _____

By: _____
Print Name: _____
Its: _____

AEGON [__]:

AEGON LIHTC FUND [__], LLC, a Delaware limited liability company

By: Aegon Community Investments [__], LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Print Name: _____
Its: _____

AEGON [____]:

AEGON LIHTC FUND [____], LLC, a Delaware limited liability company

By: Aegon Community Investments [____], LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Print Name: _____
Its: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC.,
a California corporation

By: _____

Print Name: _____

Its: _____

REAFFIRMATION OF GUARANTY

The undersigned hereby acknowledge the transaction contemplated by the foregoing _____ Amendment and agree and reaffirm that all obligations set forth in that certain Unconditional Guaranty executed by the undersigned in favor of Aegon [____] dated as of _____ shall, as of the Effective Date, inure to the benefit of the Aegon [_____].

_____,
a _____

By: _____
Print Name: _____
Its: _____

_____,
a _____

By: _____
Print Name: _____
Its: _____

Berkley Apartments

Newport News, VA

Berkley Apartments

Newport News, VA

Form 8609

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) 900 Daphia Circle Building 1 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892
	E Building identification number (BIN) VA1740323

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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)			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		3b	1 _____ %
5 Date building placed in service	▶ 8/24/2017	4	58.05 %
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.

_____ John D. Bondurant, Authorized Officer Date 6.27.19
 Signature of authorized official 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	744,814
8a Original qualified basis of the building at close of first year of credit period		8a	744,814
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 N/A			
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 N/A			
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.

_____ 81-4229581 Date 10-29-19
 Signature Taxpayer identification number
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 1 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740323</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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(j)(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	N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
<small>Signature</small>		
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 2 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740324

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.06 %
5 Date building placed in service			▶ 8/24/2017
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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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(f)(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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 900 Daphia Circle Building 2 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkeley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740324</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 900 Daphia Circle Building 3 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019	D Employer identification number of agency 54-0921892
TIN ▶ 81-4229581	E Building identification number (BIN) VA1740325

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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: John D. Bondurant
 Name (please type or print): John D. Bondurant, Authorized Officer
 Date: 6.27.19

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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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(l)(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: John Tatum
 Name (please type or print): John Tatum, Authorized Signatory
 Taxpayer identification number: 81-4229581
 First year of the credit period: 2018
 Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphnia Circle Building 3 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740325

1a Date of allocation ▶		1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6-27-19 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	318,072
8a Original qualified basis of the building at close of first year of credit period		8a	318,072
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 N/A
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphia Circle
 Building 4
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740326

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant
John D. Bondurant, Authorized Officer
6.27.19

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	744,814
8a Original qualified basis of the building at close of first year of credit period		8a	744,814
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	N/A
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	N/A
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.

John Tatum
81-4229581
10-29-19

Signature
Taxpayer identification number
Date

John Tatum, Authorized Signatory
2018

Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 61-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
900 Daphia Circle
Building 4
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740326

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
 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	318,072	
8a Original qualified basis of the building at close of first year of credit period	8a	318,072	
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	N/A	
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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) 900 Daphia Circle Building 5 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740327</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 8/24/2017			
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,814	
8a Original qualified basis of the building at close of first year of credit period	8a	744,814	
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(j)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A
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	N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

**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)
900 Daphia Circle
Building 5
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740327

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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: *John D. Bondurant*
Name (please type or print): John D. Bondurant, Authorized Officer
Date: 6.27.19

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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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: *John Tatum*
Name (please type or print): John Tatum, Authorized Signatory
Taxpayer identification number: 81-4229581
First year of the credit period: 2018
Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphnia Circle Building 6 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740328

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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: John D. Bondurant
 Name (please type or print): John D. Bondurant, Authorized Officer
 Date: 6.27.19

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	744,814	
8a Original qualified basis of the building at close of first year of credit period	8a	744,814	
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 N/A
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 N/A
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: John Tatum
 Name (please type or print): John Tatum, Authorized Signatory
 Taxpayer identification number: 81-4229581
 First year of the credit period: 2018
 Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 6 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740328

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphnia Circle
 Building 7
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0821892

E Building identification number (BIN)
 VA1740329

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.


81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
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First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
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2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 7 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740329</div>

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer	6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 8 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740330</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

	John D. Bondurant, Authorized Officer	6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphia Circle
 Building 8
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740330

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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


John D. Bondurant, Authorized Officer
 Name (please type or print)

6-27-19
 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	318,072
8a Original qualified basis of the building at close of first year of credit period		8a	318,072
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	N/A
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

John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number

2018
 First year of the credit period

10-29-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
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2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 9 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740331

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphnia Circle Building 9 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740331

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 900 Daphia Circle Building 10 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740332

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 8/24/2017			
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphia Circle
 Building 10
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740332

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.


John D. Bondurant, Authorized Officer
6.27.19
 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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.


81-4229581
10.29.19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) 2018 First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 11 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740333</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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 N/A
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0958

▶ 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) 900 Daphia Circle Building 11 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740333

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer	6.27.19
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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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(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	N/A
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphia Circle
 Building 12
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740334

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$38,608
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$1,199,006
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)			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		3b	1 %
5 Date building placed in service	▶ 8/24/2017	4	58.05 %
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	1,199,006	
8a Original qualified basis of the building at close of first year of credit period	8a	1,199,006	
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 N/A
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 N/A
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

John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581

Taxpayer identification number

2018

First year of the credit period

10-29-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 900 Daphia Circle Building 12 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740334

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$17,001
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$512,078
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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.

	John D. Bondurant, Authorized Officer	6.27.19
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	512,078
8a Original qualified basis of the building at close of first year of credit period	8a	512,078
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 N/A
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

**Low-Income Housing Credit Allocation
 and Certification**

► Go to www.irs.gov/Form8609 for instructions and the latest information.

OMB No. 1545-0088

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)
 900 Daphia Circle
 Building 13
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740335

TIN ► 81-4229581

1a Date of allocation ►	b Maximum housing credit dollar amount allowable	1b	\$23,165
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$719,410
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	► 8/24/2017		
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	719,410
8a Original qualified basis of the building at close of first year of credit period	8a	719,410
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	N/A
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	N/A
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
 John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number
 2018
 First year of the credit period

10-29-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
 900 Daphia Circle
 Building 13
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740335

TIN ▶ 81-4229581

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,200
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$307,229
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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.

▶ John D. Bondurant Signature of authorized official ▶ John D. Bondurant, Authorized Officer Name (please type or print) ▶ 6.27.19 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	307,229	
8a Original qualified basis of the building at close of first year of credit period	8a	307,229	
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	N/A
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.

▶ John Tatum Signature ▶ 81-4229581 Taxpayer identification number ▶ 10-29-19 Date
 ▶ John Tatum, Authorized Signatory Name (please type or print) ▶ 2018 First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphia Circle Building 14 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740336

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$34,748
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$1,079,130
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)			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		3b	1 _____ %
5 Date building placed in service ▶ 8/24/2017		4	58.05 %
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	1,079,130
8a Original qualified basis of the building at close of first year of credit period	8a	959,227
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 N/A		
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 N/A		
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

81-4229581
 Taxpayer identification number

10-29-19
 Date

John Tatum, Authorized Signatory
 Name (please type or print)

2017
 First year of the credit period

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2017
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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) 900 Daphnia Circle Building 14 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740336

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$14,886
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$460,867
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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.

	John D. Bondurant, Authorized Officer	6-27-19
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	460,867
8a Original qualified basis of the building at close of first year of credit period	8a	409,660
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 N/A	
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2017	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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)
 900 Daphia Circle
 Building 15
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740337

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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	N/A
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line B(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

**Low-Income Housing Credit Allocation
 and Certification**

OMB No. 1545-0088

▶ 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)
 900 Daphia Circle
 Building 15
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740337

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$13,232
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$409,659
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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: John D. Bondurant
 Name (please type or print): John D. Bondurant, Authorized Officer
 Date: 6.27.19

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	409,659
8a Original qualified basis of the building at close of first year of credit period	8a	409,659
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	N/A
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: John Tatum
 Name (please type or print): John Tatum, Authorized Signatory
 Taxpayer identification number: 81-4229581
 First year of the credit period: 2017
 Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 900 Daphia Circle Building 16 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740338

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$34,748
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$1,079,130
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <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	1,079,130
8a Original qualified basis of the building at close of first year of credit period	8a	1,079,130
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	N/A
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	N/A
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))	<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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
<small>Signature</small>		
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2017 <small>First year of the credit period</small>	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2017
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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) 900 Daphnia Circle Building 16 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740338

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$14,886
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$460,867
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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 nonproft 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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	460,867
8a Original qualified basis of the building at close of first year of credit period	8a	460,867
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	N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2017 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line B(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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)
 900 Daphnia Circle
 Building 17
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740339

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

81-4229581
10 29 19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 900 Daphia Circle
 Building 17
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740339

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.


John D. Bondurant, Authorized Officer
6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period		8a	318,072
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	N/A
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.


81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 900 Daphnia Circle Building 18 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740340

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	651,712
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 N/A
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2017 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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)
 900 Daphnia Circle
 Building 18
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

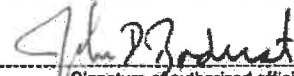
E Building identification number (BIN)
 VA1740340

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$318,080
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
 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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	278,320
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	N/A
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.


81-4229581
10.29.19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) 2017 First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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)
 900 Daphia Circle
 Building 19
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740341

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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(f)(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.


81-4229581
10.29.19
Signature
Taxpayer identification number
Date
2017
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 900 Daphia Circle Building 19 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740341

1a Date of allocation ▶ _____ b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)	2	3.23 %
3a Maximum qualified basis	3a	\$318,080
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	58.05 %
5 Date building placed in service ▶ 12/31/2017		
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	John D. Bondurant, Authorized Officer Name (please type or print)	6-27-19 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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	318,080
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2017 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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)
 900 Daphia Circle
 Building 20
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892


E Building identification number (BIN)
 VA1740342

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.


81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
2017
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2017
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

**Low-Income Housing Credit Allocation
 and Certification**

OMB No. 1545-0888

► 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) 900 Daphia Circle Building 20 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019	D Employer identification number of agency 54-0921892
TIN ► 81-4229581	E Building identification number (BIN) VA1740342

1a Date of allocation ►	b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$318,080
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	► 12/31/2017		
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


John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	318,080
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	N/A
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

John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number

2017
 First year of the credit period

10/29/19
 Date

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2017
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 900 Daphnia Circle Building 21 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019	D Employer identification number of agency <p style="text-align: right;">54-0921892</p> E Building identification number (BIN) <p style="text-align: right;">VA1740343</p>
TIN ▶ 81-4229581	

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$35,974
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$1,117,205
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	1,117,205
8a Original qualified basis of the building at close of first year of credit period	8a	1,024,105
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 N/A
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 N/A
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(f)(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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2017 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
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2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
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2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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) 900 Daphia Circle Building 21 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740343

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$15,411
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$477,121
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	477,121
8a Original qualified basis of the building at close of first year of credit period	8a	437,361
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 N/A	
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory	2017	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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) 900 Daphia Circle Building 22 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740344</div>

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6-27-19 <small>Date</small>
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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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	651,712
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	N/A
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	N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2017 <small>First year of the credit period</small>	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2017
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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) 900 Daphia Circle Building 22 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkeley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740344

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$318,080
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service			▶ 12/31/2017
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	278,320
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 N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	1029-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2017 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

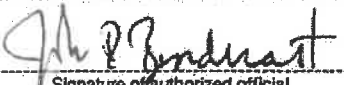
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 900 Daphia Circle Building 23 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740345

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	651,712
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 N/A		
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 N/A		
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2017 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
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2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
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2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
900 Daphnia Circle
Building 23
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740345

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$318,080
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	278,320
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 N/A	
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(i)(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.

81-4229581
10-29-19
Signature Taxpayer identification number Date
John Tatum, Authorized Signatory
2017
Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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) 900 Daphia Circle Building 24 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740346

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <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	744,814
8a Original qualified basis of the building at close of first year of credit period		8a	651,712
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	N/A
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	N/A
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(f)(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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
<small>Signature</small>		
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2017 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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)
 900 Daphia Circle
 Building 24
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740346

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,274
2 Maximum applicable credit percentage allowable (see instructions)		2	3.23 %
3a Maximum qualified basis		3a	\$318,080
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 12/31/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	318,080
8a Original qualified basis of the building at close of first year of credit period	8a	278,320
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 8d 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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2017
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2017	900 Daphia Circle, Building 14, Newport News, VA, 23601	VA1740336	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 15, Newport News, VA, 23601	VA1740337	\$ 30,887	\$ 13,232	\$ 44,119
2017	900 Daphia Circle, Building 16, Newport News, VA, 23601	VA1740338	\$ 34,748	\$ 14,886	\$ 49,634
2017	900 Daphia Circle, Building 18, Newport News, VA, 23601	VA1740340	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 19, Newport News, VA, 23601	VA1740341	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 20, Newport News, VA, 23601	VA1740342	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 21, Newport News, VA, 23601	VA1740343	\$ 35,974	\$ 15,411	\$ 51,385
2017	900 Daphia Circle, Building 22, Newport News, VA, 23601	VA1740344	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 23, Newport News, VA, 23601	VA1740345	\$ 23,983	\$ 10,274	\$ 34,257
2017	900 Daphia Circle, Building 24, Newport News, VA, 23601	VA1740346	\$ 23,983	\$ 10,274	\$ 34,257
Total Aggregate Credit Amount for Project			\$ 280,255	\$ 120,059	\$ 400,314

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) 800 Daphia Circle Building 25 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740301

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,970
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,410
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,410
8a Original qualified basis of the building at close of first year of credit period	8a	744,410
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 N/A
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 N/A
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 800 Daphnia Circle Building 25 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740301

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072	
8a Original qualified basis of the building at close of first year of credit period	8a	318,072	
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	N/A	
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 800 Daphia Circle Building 26 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740302

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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(j)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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 N/A
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.

81-4229581
102919
 Signature Taxpayer identification number Date
John Tatum, Authorized Signatory
2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0868

▶ 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) 800 Daphia Circle Building 26 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740302

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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(f)(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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 800 Daphia Circle Building 27 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740303

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,155	\$ 10,200	\$ 33,355
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

**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) 800 Daphia Circle Building 27 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019	D Employer identification number of agency 54-0921892
TIN ► 81-4229581	E Building identification number (BIN) VA1740303

1a Date of allocation ►	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	► 11/13/2018		
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 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


John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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

John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number

2018
 First year of the credit period

10-29-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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)
 800 Daphnia Circle
 Building 28
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)

VA1740304

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
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2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 28 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740304

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 8d 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	N/A
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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)
 800 Daphia Circle
 Building 29
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740305

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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

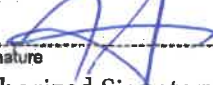
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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(i)(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.


81-4229581
10-29-19
Signature
Taxpayer identification number
Date
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 800 Daphia Circle Building 29 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740305

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
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2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
800 Daphnia Circle
Building 30
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740306

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 800 Daphia Circle
 Building 30
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892


E Building identification number (BIN)
 VA1740306

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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)			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		3b	1 %
5 Date building placed in service	▶ 11/13/2018	4	58.05 %
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.


John D. Bondurant, Authorized Officer
6.27.19
 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	318,072	
8a Original qualified basis of the building at close of first year of credit period	8a	318,072	
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 N/A
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.


81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 800 Daphia Circle
 Building 31
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 64-0921892

E Building identification number (BIN)
 VA1710307

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
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2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
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2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
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2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 800 Daphnia Circle
 Building 31
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1710307

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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.

81-4229581
10-29-19
Signature Taxpayer identification number Date
John Tatum, Authorized Signatory
2018
Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 800 Daphia Circle Building 32 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740308

1a Date of allocation ▶ b Maximum housing credit dollar amount allowable	1b	\$24,437
2 Maximum applicable credit percentage allowable (see instructions)	2	3.22 %
3a Maximum qualified basis	3a	\$758,913
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)		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	3b	1 _____ %
5 Date building placed in service ▶ 8/24/2017	4	58.05 %
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	758,913
8a Original qualified basis of the building at close of first year of credit period	8a	758,913
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 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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 N/A
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

John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number

2018
 First year of the credit period

10-29-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
800 Daphia Circle
Building 32
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkeley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0821892

E Building identification number (BIN)
VA1740308

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,760
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$324,096
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
 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	324,096
8a Original qualified basis of the building at close of first year of credit period	8a	324,096
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 33 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740309

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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	N/A
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	N/A
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 808 Daphia Circle
 Building 33
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740309

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.


John D. Bondurant, Authorized Officer
6.27.19
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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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(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	N/A
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.


81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 800 Daphnia Circle Building 34 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740310

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

John D. Bondurant, Authorized Officer
6.27.19
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	959,224	
8a Original qualified basis of the building at close of first year of credit period	8a	959,224	
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 N/A
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 N/A
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.

81-4229581
10-29-19
Signature Taxpayer identification number Date
John Tatum, Authorized Signatory
2018
Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 34 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740310</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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(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	N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphnia Circle Building 35 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belviders Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740311

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 8/24/2017			
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	John D. Bondurant, Authorized Officer Name (please type or print)	1.27.19 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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 N/A
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
800 Daphia Circle
Building 35
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740311

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
 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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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 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	N/A
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.

81-4229581
10-26-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
800 Daphia Circle
Building 36
Newport News, VA 23601

B Name and address of housing credit agency
Virginia Housing Development Authority
601 S. Belvidere Street
Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
Berkley Preservation, LP
250 W. 55th St, 35th Floor
New York, NY 10019

D Employer identification number of agency
54-0921892

E Building identification number (BIN)
VA1740312

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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	N/A
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	N/A
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.

81-4229581
10-29-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory 2018
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 36 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740312

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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 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	N/A
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.

	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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)
 800 Daphia Circle
 Building 37
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740313

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$30,887
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$959,224
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	959,224
8a Original qualified basis of the building at close of first year of credit period	8a	959,224
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	N/A
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	N/A
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 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
 John Tatum, Authorized Signatory
 Name (please type or print)

81-4229581
 Taxpayer identification number
 2018
 First year of the credit period

1029-19
 Date

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 37 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740313

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$13,600
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$409,639
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 ____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	409,639
8a Original qualified basis of the building at close of first year of credit period	8a	409,639
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(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 N/A
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.

	81-4229581 Taxpayer identification number	10-25-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 38 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740314</div>

1a. Date of allocation ▶ _____	b. Maximum housing credit dollar amount allowable	1b	\$23,983
2. Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a. Maximum qualified basis		3a	\$744,814
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 _____ %
4. Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5. Date building placed in service ▶ 8/24/2017			
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.

	John D. Bondurant, Authorized Officer	6.27.19
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	744,814
8a. Original qualified basis of the building at close of first year of credit period	8a	744,814
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 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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 N/A
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.

	81-4229581	10-29-19
Signature	Taxpayer identification number	Date
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphnia Circle Building 38 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740314

1a Date of allocation ▶		1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	318,072
8a Original qualified basis of the building at close of first year of credit period		8a	318,072
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 N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

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) 800 Daphia Circle Building 39 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740315

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A	
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 N/A	
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.

81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
Name (please type or print)
2018
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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) 800 Daphia Circle Building 39 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740315

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A	
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0888

▶ 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) 800 Daphia Circle Building 40 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740316

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 40 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 64-0921892 E Building identification number (BIN) VA1740316

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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(i)(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.

81-4229581
10-29-19
Signature
Taxpayer identification number
Date
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 800 Daphia Circle
 Building 41
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740317

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.


81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 800 Daphia Circle Building 41 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740317

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service			▶ 11/13/2018
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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(j)(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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 42 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740318

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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

John D. Bondurant, Authorized Officer
 Name (please type or print)

6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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

81-4229581
 Taxpayer identification number

10-29-19
 Date

2018
 First year of the credit period

John Tatum, Authorized Signatory
 Name (please type or print)

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 42 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740318

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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	John D. Bondurant, Authorized Officer Name (please type or print)	6.27.19 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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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	81-4229581 Taxpayer identification number	10-29-19 Date
John Tatum, Authorized Signatory Name (please type or print)	2018 First year of the credit period	

Berkley Preservation, LP
EIN: 81-4229581
Tax Year Ending December 31, 2018
Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
Project Address: 900 Daphia Circle, Newport News, VA, 23601
800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 43 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740319

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service			▶ 8/24/2017
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.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	6.27.19 <small>Date</small>
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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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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.

	81-4229581 <small>Taxpayer identification number</small>	10-29-19 <small>Date</small>
John Tatum, Authorized Signatory <small>Name (please type or print)</small>	2018 <small>First year of the credit period</small>	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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) 800 Daphnia Circle Building 43 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740319

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 11/13/2018		
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 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.

John D. Bondurant, Authorized Officer
6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A
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.

81-4229581
10-29-19
Signature
Taxpayer identification number
Date
 John Tatum, Authorized Signatory
Name (please type or print)
2018
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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)
 800 Daphia Circle
 Building 44
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740320

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.

John D. Bondurant, Authorized Officer
6.27.19
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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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	N/A
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	N/A
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.

81-4229581
10-29-19
Signature
Taxpayer identification number
Date
John Tatum, Authorized Signatory
2018
Name (please type or print)
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

**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)
 800 Daphnia Circle
 Building 44
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740320

TIN ► 81-4229581

1a Date of allocation ►	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.05 %
5 Date building placed in service	► 11/13/2018		
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 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: *John D. Bondurant*
 Name (please type or print): John D. Bondurant, Authorized Officer
 Date: 6.27.19

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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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: *John Tatum*
 Name (please type or print): John Tatum, Authorized Signatory
 Taxpayer identification number: 81-4229581
 First year of the credit period: 2018
 Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
 800 Daphia Circle
 Building 45
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740321

TIN ▶ 81-4229581

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service	▶ 8/24/2017		
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.


John D. Bondurant, Authorized Officer
6.27.19
 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	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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(j)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A
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	N/A
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.


81-4229581
1029-19
 Signature Taxpayer identification number Date
 John Tatum, Authorized Signatory
 Name (please type or print) First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

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) 800 Daphia Circle Building 45 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA1740321

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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)			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		3b	1 %
5 Date building placed in service	▶ 11/13/2018	4	58.05 %
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.

▶ John D. Bondurant, Authorized Officer
▶ 6.27.19
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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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 N/A		
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.

▶ 81-4229581
▶ 10.29.19
Signature Taxpayer identification number Date
▶ John Tatum, Authorized Signatory
Name (please type or print)
▶ 2018
First year of the credit period

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

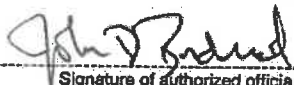
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 800 Daphia Circle Building 46 Newport News, VA 23601	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Berkley Preservation, LP 250 W. 55th St, 35th Floor New York, NY 10019 TIN ▶ 81-4229581	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA1740322</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$23,983
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$744,814
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 8/24/2017			
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.

	John D. Bondurant, Authorized Officer Name (please type or print)	6-27-19 Date
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)	7	744,814
8a Original qualified basis of the building at close of first year of credit period	8a	744,814
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 N/A
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 N/A
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(i)(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.

	81-4229581 Taxpayer identification number	10-29-19 Date
Signature		
John Tatum, Authorized Signatory	2018	
Name (please type or print)	First year of the credit period	

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2018	900 Daphia Circle, Building 1, Newport News, VA, 23601	VA1740323	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 2, Newport News, VA, 23601	VA1740324	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 3, Newport News, VA, 23601	VA1740325	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 11, Newport News, VA, 23601	VA1740333	\$ 30,887	\$ 13,600	\$ 44,487
2018	900 Daphia Circle, Building 12, Newport News, VA, 23601	VA1740334	\$ 38,608	\$ 17,001	\$ 55,609
2018	900 Daphia Circle, Building 13, Newport News, VA, 23601	VA1740335	\$ 23,165	\$ 10,200	\$ 33,365
2018	900 Daphia Circle, Building 17, Newport News, VA, 23601	VA1740339	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 25, Newport News, VA, 23601	VA1740301	\$ 23,970	\$ 10,560	\$ 34,530
2018	800 Daphia Circle, Building 26, Newport News, VA, 23601	VA1740302	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 27, Newport News, VA, 23601	VA1740303	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 28, Newport News, VA, 23601	VA1740304	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 29, Newport News, VA, 23601	VA1740305	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 30, Newport News, VA, 23601	VA1740306	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 31, Newport News, VA, 23601	VA1710307	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 32, Newport News, VA, 23601	VA1740308	\$ 24,437	\$ 10,760	\$ 35,197
2018	800 Daphia Circle, Building 33, Newport News, VA, 23601	VA1740309	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 34, Newport News, VA, 23601	VA1740310	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 35, Newport News, VA, 23601	VA1740311	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 36, Newport News, VA, 23601	VA1740312	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 37, Newport News, VA, 23601	VA1740313	\$ 30,887	\$ 13,600	\$ 44,487
2018	800 Daphia Circle, Building 38, Newport News, VA, 23601	VA1740314	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 39, Newport News, VA, 23601	VA1740315	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 40, Newport News, VA, 23601	VA1740316	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 41, Newport News, VA, 23601	VA1740317	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 42, Newport News, VA, 23601	VA1740318	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 43, Newport News, VA, 23601	VA1740319	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 44, Newport News, VA, 23601	VA1740320	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 45, Newport News, VA, 23601	VA1740321	\$ 23,983	\$ 10,560	\$ 34,543
2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
	Total Aggregate Credit Amount for Project		\$ 919,060	\$ 404,681	\$ 1,323,741

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ 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)
 800 Daphia Circle
 Building 46
 Newport News, VA 23601

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Berkley Preservation, LP
 250 W. 55th St, 35th Floor
 New York, NY 10019

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)
 VA1740322

TIN ▶ 81-4229581

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$10,560
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	\$318,072
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 _____ %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.05 %
5 Date building placed in service ▶ 11/13/2018			
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 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: John D. Bondurant
 Name (please type or print): John D. Bondurant, Authorized Officer
 Date: 6.27.19

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	318,072
8a Original qualified basis of the building at close of first year of credit period	8a	318,072
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	N/A
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: John Tatum
 Name (please type or print): John Tatum, Authorized Signatory
 Taxpayer identification number: 81-4229581
 First year of the credit period: 2018
 Date: 10-29-19

Berkley Preservation, LP
 EIN: 81-4229581
 Tax Year Ending December 31, 2018
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Berkley Village and Berkley West
 Project Address: 900 Daphia Circle, Newport News, VA, 23601
 800 Daphia Circle, Newport News, VA, 23601

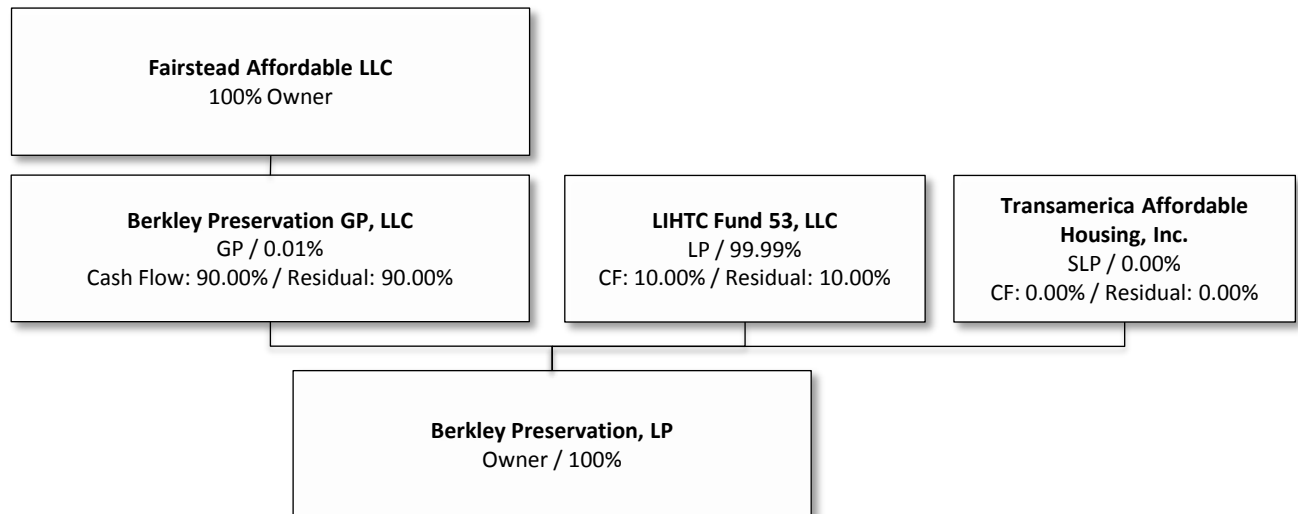
First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
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2018	900 Daphia Circle, Building 4, Newport News, VA, 23601	VA1740326	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 5, Newport News, VA, 23601	VA1740327	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 6, Newport News, VA, 23601	VA1740328	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 7, Newport News, VA, 23601	VA1740329	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 8, Newport News, VA, 23601	VA1740330	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 9, Newport News, VA, 23601	VA1740331	\$ 23,983	\$ 10,560	\$ 34,543
2018	900 Daphia Circle, Building 10, Newport News, VA, 23601	VA1740332	\$ 23,983	\$ 10,560	\$ 34,543
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2018	800 Daphia Circle, Building 46, Newport News, VA, 23601	VA1740322	\$ 23,983	\$ 10,560	\$ 34,543
Total Aggregate Credit Amount for Project			\$ 919,060	\$ 404,681	\$ 1,323,741

Berkley Apartments

Newport News, VA

Organizational Chart

Property Owner – Tax Credit



Berkley Apartments
Newport News, VA

Limited Partnership
Agreement

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
BERKLEY PRESERVATION, LP,
A DELAWARE LIMITED PARTNERSHIP

Dated as of August 1, 2017

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LIST OF EXHIBITS

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C	Construction Budget
D	Annual Operating Budget
E	Amortization Schedule
F	Payment Certificates
G	Architect's Certificate
H	Accountants' Certificate
I	Financing Summary
J	Insurance Requirements
K	Property Management Agreement
L	Project Documents
M	Consent to Electronic Submission of K-1s
N	Form of Amendment and Assignment and Assumption Agreement

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
BERKLEY PRESERVATION, LP,
A DELAWARE LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF BERKLEY PRESERVATION, LP, a Delaware limited partnership (this “**Agreement**”), is made and entered into as of the 1st day of August, 2017, by and among BERKLEY PRESERVATION GP, LLC, a Delaware limited liability company, as the general partner (the “**General Partner**”), LIHTC FUND 53, LLC, a Delaware limited liability company, as the investor limited partner (the “**Investor Limited Partner**”), TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation, as the special limited partner (“**Special Limited Partner**”), and FAIRSTEAD AFFORDABLE LLC, a Delaware limited liability company, as the withdrawing limited partner (the “**Withdrawing Limited Partner**” or “**Fairstead Affordable LLC**”), on the following terms and conditions:

RECITALS

WHEREAS, the General Partner and the Withdrawing Limited Partner established Berkley Preservation, LP, a Delaware limited partnership, under the laws of the State of Delaware by entering into that certain Agreement of Limited Partnership dated as of September 23, 2016 (the “**Original Agreement**”), and by causing a Certificate of Limited Partnership to be filed with the Delaware Secretary of State on September 23, 2016, and by causing a Certificate of Registration to be filed with the Virginia State Corporation Commission on September 27, 2016, pursuant to which the Partnership is qualified to do business in the State of Virginia, for the purposes of acquiring the fee interest in approximately 31 acres of land located at 800 & 900 Daphia Circle, Newport News, Virginia, and rehabilitating, developing, maintaining and operating thereon a rental housing development for use by seniors aged 62 years or older and persons with physical, mental and developmental disabilities, which contains, in the aggregate, 373 dwelling units in forty-six (46) buildings and related amenities; all of the units are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code (as defined in Article 1 below) (the “**Project**”).

WHEREAS, the Investor Limited Partner and the Special Limited Partner desire to acquire limited partnership interests in the Partnership pursuant to the terms and conditions set forth herein and in the other Project Documents (as defined herein). The parties hereto desire to amend and restate the Original Agreement (i) to admit the Investor Limited Partner and the Special Limited Partner, (ii) to provide for the withdrawal of the Withdrawing Limited Partner, and (iii) to set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto do hereby mutually covenant and agree that the Original Agreement is hereby amended and restated in its entirety on the following terms and conditions:

ARTICLE 1
DEFINITIONS

Unless the context otherwise clearly requires, the terms defined in this Article shall for all purposes of this Agreement have the meanings specified in this Article 1, to be equally applicable to both the singular and plural forms of the terms defined. Reference to federal, state or local statutes or regulations and any governmental rules, permits, or licenses are to be construed as including all amendments or successors thereto. The words “includes,” “include” and “including” shall be deemed to be followed by the words “without limitation.” References to agreements, instructions, and other documents shall be deemed to include all subsequent amendments, other modifications, and successor documents thereto, but only to the extent such amendments, other modifications, and successor documents are made in accordance with the terms of the original agreement, instrument, or other document, and are not prohibited by the terms of this Agreement. References to persons include their respective permitted successors and assigns. References to the masculine, feminine or neuter gender shall be deemed to include the others whenever the context so indicates or requires.

Capitalized words and phrases used in this Agreement shall have the following meanings:

“Accountants” means initially Dauby, O’Connor & Zaleski, LLC of Carmel, Indiana, or any successor firm of independent certified public accountants employed by the Partnership pursuant to Section 8.6.

“Accountants’ Certificate” means the certificate in the form attached hereto as Exhibit H to be delivered by the Accountants on the Fifth Payment Date and the Final Payment Date.

“Accountants’ Determination” means a determination made by the Accountants following the Fifth Payment Date and the Final Payment Date concerning the amount of Housing Tax Credits allocable to the Investor Limited Partner during the entire Credit Period and/or during any one or more Fiscal Years during the Credit Period, as reflected in a final version of any Partnership Tax Return prepared by the Accountants or by Notice or other communication from the Accountants to the General Partner or the Investor Limited Partner.

“Accountants’ Fifty Percent Test Certification” means the written certification of the Accountants that the Fifty Percent Test has been met.

“Act” means the Revised Uniform Limited Partnership Act in effect in the State of Delaware, as amended from time to time (or any corresponding provisions of succeeding law).

“AEGON” means AEGON USA Realty Advisors, LLC, an Iowa limited liability company, as advisor and asset manager on behalf of the Investor Limited Partner.

“AEGON Affiliated Insurance Company” means an insurance company directly or indirectly controlled by or under common control with AEGON N.V.

“Affiliate” means, with respect to any Person, (i) such Person; (ii) each member of the Immediate Family of such Person; or (iii) any corporation, partnership, limited liability company, trust or other entity directly or indirectly controlling, controlled by or under common control with such Person. For this purpose “control,” “controlled” or “controlling” means (w)

the ownership, directly or indirectly, of more than ten percent (10%) of the voting stock or other voting equity participation of the corporation or other entity in question, or (x) control of management through holding, directly or indirectly, a general partnership interest in a limited partnership or a managing member interest in, or right to control, a limited liability company (including, but not limited to, acting as a non-member manager of a limited liability company), or (y) if such Person has no stock or other equity, control over a majority of the board of directors of such Person; or (z) the direct or indirect power under contract to direct the management, financial, legal, beneficial, day-to-day operations or other interests of a company (or other entity).

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by the IRS or any other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received. For the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Aggregate Housing Tax Credit Shortfall” shall have the meaning set forth in Section 3.2.

“Agreement” means this Amended and Restated Limited Partnership Agreement of Berkley Preservation, LP, a Delaware limited partnership, and as may be amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time.

“Annual Housing Tax Credit Shortfall” means an Accountants’ Determination or a Final Determination that the amount of Housing Tax Credits allocated annually in any of the years 2017 through 2027 to the Investor Limited Partner are less than the Projected Annual Investor Housing Tax Credit Amount for such year(s).

“Annual Housing Tax Credit Shortfall Amount” means an amount, on an After-Tax Basis, to be paid within thirty (30) days following the receipt of the Accountants’ Determination or Final Determination evidencing an Annual Housing Tax Credit Shortfall equal to the sum of (1) the difference between (x) the Housing Tax Credits actually allocable to the Investor Limited Partner in the current Fiscal Year (after giving effect to any disallowance or recapture of Housing Tax Credits required as a result of an Annual Housing Tax Credit Shortfall), and (y) the Projected Annual Investor Housing Tax Credit Amount for such Fiscal Year, plus (2) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such disallowance or recapture of Housing Tax Credits.

“Annual Operating Budget” means the annual budget for the operation of the Project for a Fiscal Year, as established pursuant to Section 7.4.

“Annual Shortfall Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Annual Shortfall Adjustment Year” shall have the meaning set forth in Section 3.2.

“Architect” means VIA Design Architects, PC, of Norfolk, Virginia.

“Architect’s Certificate” means a Certificate executed by the Architect substantially in the form attached hereto as Exhibit G.

“Asset Management Fee” means the annual fee to be paid by the Partnership to the Asset Manager commencing in the year of the Completion Date in the amount of \$5,000, increasing at a rate of three percent (3%) per annum on the first day of each subsequent year. The Asset Management Fee shall be due and payable in full upon the Completion Date, shall not be subject to proration for the first year and shall be due and payable in full on January 1st of each subsequent year. The Asset Management Fee shall accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Asset Manager” shall initially mean AEGON or any substitute party named pursuant to Section 7.15.

“Assignee” means the Person to whom a Transfer of a Partnership Interest is made in accordance with Article 10 of this Agreement.

“Assignment, Pledge and Security Agreement” means the Assignment, Pledge and Security Agreement dated as of even date herewith by the General Partner and the Developer in favor of the Limited Partners.

“Authority” means the Credit Agency, any Lender, the City, the Issuer, HUD, or to the extent possessing regulatory authority over the Partnership or the Project any other federal, state or local governmental authority having jurisdiction over the particular matter to which reference is being made.

“Bankruptcy” or “Bankrupt” means, with respect to any Person, such Person making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Person or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Person, or a receiver, liquidator, custodian, or trustee being appointed for such Person or a substantial part of such Person’s assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within ninety (90) days of its filing; or the entry of an order for relief against such Person under Title 11 of the United States Code. A Person shall be deemed Bankrupt if the Bankruptcy of such Person shall have occurred and be continuing.

“Bipartisan Budget Act” means The Bipartisan Budget Act of 2015 (P.L. 114-74).

“Bond Indenture” means the Trust Indenture dated as of July 1, 2017 by and between the Issuer and the Bond Trustee pursuant to which, among other things, the Bond Issuer has pledged

and assigned its rights in the Bond Loan Documents (except certain rights to indemnification, reimbursement, and administrative fees) to the Bond Trustee.

“Bond Lender” means the Issuer.

“Bond Loan” means the rehabilitation loan in the amount of up to \$33,000,000 made or to be made to the Partnership by the Issuer, all of which has been derived from the proceeds of the issuance of the Bonds. The Bond Loan shall bear interest at 1.20% per annum and will mature on April 1, 2019.

“Bond Loan Agreement” means the loan agreement dated as of July 1, 2017 by and between the Issuer and the Partnership.

“Bond Loan Documents” means (a) the Bond Loan Agreement, (b) the Bond Loan Note, (c) the Bond Indenture, (d) UCC financing statements, (e) such assignments of management agreements, contracts and other rights as may be reasonably required, (f) the Bond Regulatory Agreement, (g) the Bonds, (h) all other documents evidencing, securing, governing or otherwise pertaining to the Bond Loan Documents, and (i) all amendments, modifications, renewals and substitutions of any of the foregoing.

“Bond Loan Note” means the \$33,000,000 promissory note executed by the Partnership which evidences its obligations to repay the Bond Loan.

“Bond Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 2017 by and among the Issuer, the Bond Trustee, and the Partnership.

“Bond Trustee” means The Bank of New York Mellon Trust Company, N.A., its successors and/or assigns.

“Bonds” means the Multifamily Housing Revenue Bonds, Series 2017 (Berkley Preservation Project) issued under the volume cap of Section 146 of the Code by the Issuer in the original principal amount of \$33,000,000 that meet the conditions set forth in Section 42(h)(4)(B) of the Code, the proceeds of which shall be used to fund the Bond Loan.

“Business Day” means a day of the year on which banks are not required or authorized to close in the State.

“Capital Account” means, with respect to any Partner, the Capital Account maintained for such Partner throughout the term of the Partnership pursuant to Section 3.5.

“Capital Adjuster Distribution” means, collectively, the Recapture Adjuster Distributions, Annual Shortfall Adjuster Distributions and Future Downward Adjuster Distributions.

“Capital Contributions” means with respect to any Partner, the total of all money and the Value (at the date of contribution) of all property other than money transferred or assigned other than as a loan by a Partner to the Partnership pursuant to Article 3 or treated as contributed by a Partner to the capital of the Partnership for federal income tax purposes.

“Capital Expenditures” mean any expenses that, pursuant to the Code, cannot be immediately deducted in full and must be capitalized and amortized or depreciated over more than one year.

“Capital Replacement Reserve” shall have the meaning set forth in Section 8.7(a).

“Certificate of Occupancy” means a certificate of occupancy issued to the Partnership by the appropriate Authority permitting a Unit to be leased and occupied (it being agreed that a temporary certificate of occupancy shall be acceptable if it does not contain any conditions which prohibit or materially interfere with the intended use of the unit for residential purposes and if any conditions for obtaining a permanent certificate of occupancy are readily achievable).

“City” means the City of Newport News, Virginia.

“Closing Date” means the execution date of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Completion” means substantial completion of the Project in accordance with the Plans as modified by change orders reasonably approved by the Limited Partners in accordance with the terms of this Agreement, the First Mortgage Lender and any Authority (to the extent such consent is required), subject to only minor punch list items, and no liens (except for liens which are bonded against in a manner so as to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby), claims or encumbrances which are not Permitted Encumbrances as evidenced by (i) the Contractor filing a notice of completion, (ii) delivery of the Architect’s Certificate, (iii) the issuance of such Certificates of Occupancy and any other Governmental Permits required for the use and occupancy of each Unit in the Project, and (iv) a report by the Construction Inspector that rehabilitation of the Project has been substantially completed in accordance with the Plans, which report shall be completed within thirty (30) days of notice from the General Partner to the Investor Limited Partner that the Project has been completed in accordance with this Section.

“Completion Date” means the date on which Completion is achieved, which in all events shall be no later than July 1, 2019 (the “**Outside Completion Date**”), unless extended by Force Majeure or otherwise extended by the Investor Limited Partner at its sole discretion.

“Compliance Audit” has the meaning set forth in Section 8.3.

“Compliance Auditor” means Novogradac & Company LLP or a third party tax credits compliance specialist retained by the Limited Partner for the purposes set forth in Section 8.3.

“Compliance Period” means the “compliance period,” as defined in Section 42(i)(1) of the Code, applicable to the Project.

“Construction Budget” means the budget for the rehabilitation of the Project and the furnishing of all personalty in connection therewith, which is currently estimated to be in the amounts attached hereto as Exhibit C, and any revisions thereof approved by the Partners.

“Construction Contract” means the contract between the Partnership and the Contractor for the rehabilitation of the Project.

“Construction Inspector” means the rehabilitation inspector engaged by the Asset Manager.

“Construction Monitoring Fee” means the monthly fee to be paid by the Partnership to AEGON commencing on the first day of the month following the Closing Date and ending with the month in which the Completion Date occurs to cover the cost of monthly rehabilitation inspection in the amount of \$500.

“Contractor” means MSI Construction and Mechanical Company.

“Cost Certification” means the written certification of the Accountants as to the actual itemized costs of rehabilitation of the Project and the Eligible Basis for the Project.

“Credit Agency” means the Virginia Housing Development Authority, and its successors and assigns.

“Credit Period” means the period of ten (10) taxable years beginning with the taxable year in which the Project is placed in service or, at the election of the General Partner with the consent of the Investor Limited Partner, and to the extent permitted under Section 42(f)(1) of the Code, the succeeding taxable year.

“Credits” means the Federal Housing Tax Credits.

“Debt Service Coverage Ratio” means with respect to any period in question, the ratio of the Operating Cash Flow (not taking into account withdrawals from Reserves or Operating Deficit Loans) for such period to the mandatory payments of principal and interest due on any Loans for such period. For purposes of this definition only, in calculating Partnership Expenses to determine Operating Cash Flow, Partnership Expenses (i) shall be determined on an accrual basis, and shall exclude payments of principal and interest on any Loans that are not subject to the availability of Operating Cash Flow, the Asset Management Fee, Capital Expenditures, the Incentive Management Fee and (ii) shall be the greater of actual expenses or the underwritten expenses set forth in the Initial Economic Projections.

“Deferred Development Fee” means the deferred portion of the Development Fee, if any, determined pursuant to Section 3(b) of the Development Agreement, which will bear compound interest at 5% per annum and shall be payable within fifteen (15) years after Completion out of Operating Cash Flow in accordance with Section 5.1 or from Extraordinary Cash Proceeds in accordance with Section 5.2 or from a Capital Contribution of the General Partner pursuant to Section 3.1(a). The Deferred Development Fee is estimated to be \$1,240,127.

“Deferred First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b).

“Deferred Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b).

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is or is deemed to be obligated to restore to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s Share of Partnership Minimum Gain if any, and (iii) such Partner’s Share of Partner Nonrecourse Debt Minimum Gain, if any.

“Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year for federal income tax purposes, except that if the Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis. If such an asset has a zero adjusted tax basis, the Depreciation may be determined under any reasonable method selected by the General Partner.

“Developer” means Fairstead Affordable LLC, a Delaware limited liability company, an Affiliate of the General Partner.

“Development Agreement” means the Development Services Agreement between the Partnership and the Developer dated as of even date herewith.

“Development Costs” means any and all costs and expenses necessary to (i) acquire the interest in the Land, (ii) cause the rehabilitation of the Project to be completed in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens, substantially in accordance with the Plans and the Construction Budget, (iii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property in accordance with the Plans and the Construction Budget, (iv) obtain all Government Permits for the use and occupancy of the Units and other space in the Project, (v) pay the Development Fee (except for any Deferred Development Fee), (vi) discharge all Partnership liabilities and obligations arising out of any casualty or condemnation occurring prior to the Rent-Up Date, (vii) fund the initial Reserves, and (viii) pay any other costs or expenses necessary to achieve the Rent-Up Date.

“Development Deficiency” means, for the period beginning with the date of this Agreement and ending on the Rent-Up Date, the excess of the Development Costs over the Proceeds.

“Development Deficiency Guaranty Period” means the period commencing on the Closing Date and ending on the Rent-Up Date.

“Development Deficiency Payment” shall have the meaning set forth in Section 4.2(c).

“Development Fee” means the fee to be paid by the Partnership to the Developer pursuant to the Development Agreement, projected to be a total of \$4,500,000. The Development Fee shall not be increased by any savings due to changes in the scope of the Project or reduction in the quality of the Project. The Development Fee may be increased only in accordance with any applicable Authority requirements and the prior written approval of the

Investor Limited Partner, which approval shall not be unreasonably withheld, delayed, or conditioned.

“DRO Notice” shall have the meaning set forth in Section 6.3 hereof.

“DRO Notice Partner” shall have the meaning set forth in Section 6.3 hereof.

“Eligible Basis” means an amount equal to the “eligible basis” of the Project as defined in Section 42(d) of the Code, as determined by the Accountants in connection with the Cost Certification.

“Entity” means any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

“Environmental Costs” means all liabilities, sums paid in settlement of claims, obligations, charges, actions (formal or informal), claims (including, without limitation, claims for personal injury or for real or personal property damage related to an environmental condition), liens, taxes, administrative proceedings, losses, damages (including, without limitation, punitive damages), penalties, fines, court costs, administrative service fees, response and remediation costs, stabilization costs, encapsulation costs, treatment, storage or disposal costs, groundwater monitoring or environmental study, sampling or monitoring costs, other causes of action, and any other costs and reasonable expenses (including, without limitation, reasonable attorneys’, experts’, and consultants’ fees and disbursements and investigating, laboratory and data review fees) imposed upon or incurred by any Partner (whether or not indemnified against by any other party) as a result of any Hazardous Substances Laws.

“Event of Default” shall have the meaning set forth in Section 11.2.

“Excess Federal Adjuster” shall have the meaning set forth in Section 3.2.

“Extended Use Agreement” means the extended low-income housing commitment to be executed by the Partnership in accordance with the requirements of the Credit Agency and the provisions of Section 42(h)(6) of the Code for the Project.

“Extraordinary Cash Proceeds” means the gross cash receipts of the Partnership from any Extraordinary Transaction less Partnership Expenses related to such Extraordinary Transaction, including any mandatory payment on any Loans (other than Operating Deficit Loans) and additions to any Reserves.

“Extraordinary Transaction” means any refinancing, sale, transfer or disposition of all or substantially all of the Partnership’s Property.

“Federal Housing Tax Credits” means the federal low-income housing credits allowable under Section 42 of the Code.

“Federal Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“Federal Housing Tax Credit Amount” means the actual Federal Housing Tax Credits per annum available to the Partnership during the Credit Period.

“Federal Payment” means any Federal Payment of the Capital Contributions of the Investor Limited Partner referred to in Section 3.1(b).

“Federal Recapture Amount” means an amount equal to, on an After-Tax Basis, the sum of: (a) the amount of the Federal Housing Tax Credits recaptured as a result of a Federal Recapture Event, and (b) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such Federal Recapture Event, to be paid within thirty (30) days after the Federal Recapture Event.

“Federal Recapture Event” means an event resulting in the recapture of all or any portion of the Federal Housing Tax Credits pursuant to Section 42 of the Code.

Notwithstanding the foregoing, a Federal Recapture Event shall not include:

(i) the inability of the Investor Limited Partner to utilize the Federal Housing Tax Credits allocated to it for any reason, including the lack of sufficient taxable income;

(ii) a loss or reduction of the Federal Housing Tax Credits to the extent caused by (a) actions or inactions of the Investor Limited Partner, or (b) a change in the tax status of the Investor Limited Partner; or

(iii) any reduction of Federal Housing Tax Credits for which an adjustment to the Investor Limited Partner’s Capital Contribution, a payment by the Partnership of an Excess Federal Adjuster or a distribution by the Partnership of a Capital Adjuster Distribution has been made pursuant to Section 3.2 of this Agreement.

“Fifty Percent Test” means the satisfaction by the Partnership of the test set forth in Section 42(h)(4)(B) of the Code.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction or government agency has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), or (ii) the date on which the IRS has entered into a binding agreement with the Partnership with respect to such issues or has reached a final administrative or judicial determination with respect to such issues which, whether by law or agreement, is not subject to appeal.

“First Mortgage” means that certain Multifamily Deed of Trust, Security Agreement, Assignment of Rents, and Fixture Filing (Virginia) (HUD-94000M), dated as of August 1, 2017, and entered into by the Partnership in favor of the First Mortgage Lender as security for the Partnership’s obligations under the First Mortgage Loan Documents.

“First Mortgage Lender” means Capital One Multifamily Finance, LLC, a Delaware limited liability company, a HUD-approved multifamily mortgage lender, and its successors and/or assigns.

“First Mortgage Loan” means the permanent loan in the amount of \$40,600,000 to be made by the First Mortgage Lender to the Partnership. The First Mortgage Loan is insured under Section 207 pursuant to Section 223(f) of the National Act. The First Mortgage Lender will disburse the First Mortgage Loan directly to the Bond Trustee for deposit into the Assignment Fund (as such term is defined in the Bond Indenture) and the Bond Trustee will, in turn, disburse an equal amount of Bond Loan proceeds to the designated agent in escrow for the First Mortgage Lender to disburse to the Partnership once the First Mortgage Loan Note is endorsed by HUD. The First Mortgage Loan matures on September 1, 2052 and bears interest at a rate equal to 3.23% per annum (exclusive of a 0.25% annual mortgage insurance premium). Commencing on October 1, 2017, payments of principal and interest will be made monthly on the First Mortgage Loan in an amount sufficient to fully amortize the First Mortgage Loan over its term.

“First Mortgage Loan Documents” means (a) the First Mortgage, (b) the First Mortgage Loan Note, (c) UCC financing statements, (d) such assignments of management agreements, contracts and other rights as may be reasonably required, (e) the HUD Regulatory Agreement, (f) that certain Escrow Agreement for Non-critical, Deferred Repairs by and between the First Mortgage Lender and the Partnership dated on or about the date hereof and the Disbursement Agreement attached thereto, (g) all documents evidencing, securing, governing or otherwise pertaining to the foregoing, and (h) all amendments, modifications, renewals and substitutions of any of the foregoing.

“First Mortgage Loan Note” means the promissory note dated as of August 1, 2017 in the original principal amount of \$40,600,000 executed by the Partnership in favor of the First Mortgage Lender as evidence of its obligation to repay the First Mortgage Loan.

“First Year” means the year 2017, the first year in which Credits shall be allocated to the Investor Limited Partner as projected in the Initial Economic Projections.

“First Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the First Year.

“First Year Investor Housing Tax Credit Amount(s)” means the First Year Federal Investor Housing Tax Credit Amount.

“Fiscal Year” means the calendar year, unless such other fiscal year is required pursuant to Regulations Sec. 1.706-1(b)(2), which the Partnership maintains for federal income tax and accounting purposes in accordance with Section 8.4.

“Fixed Price Cost” means \$8,547,000 as increased by change orders, provided that the General Partner has provided additional funds equal to the amount of such change orders, if the full owner contingency has been used.

“Force Majeure” means any strike, lockout, war, insurrection, riot, explosion, fire, flood, earthquake or other natural disaster and other events beyond the control of the party for whom performance is required.

“Former Code” means Subchapter C of Chapter 63 of the Code as in effect immediately prior to the enactment of the Bipartisan Budget Act on November 2, 2015. Pursuant to Section

6241 of the Code (as revised by the Bipartisan Budget Act), the amendments to the Former Code apply to returns filed for partnership taxable years beginning after December 31, 2017. References to the Former Code contained herein are applicable to the extent that the Former Code provisions remain in effect for taxable years beginning before December 31, 2017.

“Future Downward Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Future Downward Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“General Partner” means Berkley Preservation GP, LLC, a Delaware limited partnership, or its successors or assigns as permitted by this Agreement.

“Government Permits” means all material building, zoning, health, safety, business and other applicable certificates, permits and licenses necessary to permit the rehabilitation, use, occupancy and operation of the Project.

“GP Disposition Fee” means the fee to be paid by the Partnership to the General Partner in connection with the sale, transfer or disposition of all or substantially all of the Partnership’s Property to a Person that is not an Affiliate of the General Partner, Developer or Guarantor, in the amount of two percent (2%) of the sales price of the Partnership’s Property.

“Gross Cash Receipts” means all cash receipts of the Partnership from whatever source derived, including but not limited to all public subsidy payments due and payable at such time under the HAP Contract, other than from (i) Capital Contributions, (ii) Loans (other than an Operating Deficit Loan), (iii) Extraordinary Transactions, (iv) any casualty insurance funds or condemnation proceeds that will be used to repair or replace the Partnership’s Property, and (v) rent prepayments, security deposits (not otherwise applied to defaulting tenant payment obligations), and interest thereon.

“Guarantors” means, collectively, Fairstead Affordable LLC, a Delaware limited liability company, and, subject to the terms of the Guaranty, Stuart Feldman, an individual resident of the State of Connecticut.

“Guaranty” means the Unconditional Guaranty of even date herewith, made by the Guarantors in favor of the Limited Partners.

“HAP Contract” means, collectively, (i) the Project-Based Section 8 Housing Assistance Payments Renewal Contract For Mark-Up-To-Market, Project number VA360025010, by and among HUD, Navigate Affordable Housing Partners, as contract administrator, and the Partnership effective as of September 1, 2017, covering 198 units at the Project, which contract runs for a period of twenty (20) years, and (ii) the Project-Based Section 8 Housing Assistance Payments Renewal Contract For Mark-Up-To-Market, Project number VA360031001, by and among HUD, Navigate Affordable Partners, as contract administrator, and the Partnership effective as of September 1, 2017, covering 175 units at the Project, which contract runs for a period of twenty (20) years.

“Hazardous Substances” means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as “hazardous substances,”

“hazardous wastes,” “hazardous materials,” “pollutants,” “contaminants,” or “toxic substances,” under federal or state environmental and health and safety laws and regulations, including without limitation petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. Hazardous Substances do not include substances that are used or consumed in the normal course of developing, operating or occupying a housing project, to the extent and degree that such substances are stored, used and disposed of in the manner and in amounts that are consistent with normal practice and applicable Hazardous Substance Laws.

“Hazardous Substances Laws” means any applicable federal, state or local laws relating to the presence of Hazardous Substances on or about the Property.

“Housing Tax Credits” means the Federal Housing Tax Credits.

“Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount.

“Housing Tax Credit Conditions” means, for the duration of the Compliance Period, any and all restrictions including, but not limited to, applicable federal, state and local laws, rules and regulations, which must be complied with in order for the Project to qualify for (and continue to receive) the Housing Tax Credits.

“Housing Tax Credit Percentage” means the “applicable percentage” within the meaning of Section 42(b)(2) of the Code.

“HUD” means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement for Multifamily Housing Projects (HUD-92466M) dated as of August 1, 2017 by and between HUD and the Partnership pursuant to which the Partnership has agreed to comply with the terms of the mortgage insurance program under Section 207 pursuant to Section 223(f) of the National Act.

“ILP Disposition Fee” means the fee associated with exiting the Partnership, to be paid by the Partnership to the Asset Manager in the amount of \$50,000, plus actual costs incurred with exiting the Partnership.

“Immediate Family” means with respect to any Person who is an individual, such Person’s spouse, parents, descendants, brothers and sisters.

“Improvements” means the 373-unit rental housing development, and related amenities to be rehabilitated on the Land.

“Incentive Management Agreement” means the Incentive Management Agreement by and between the Partnership and the General Partner as of even date herewith.

“Incentive Management Fee” means the Incentive Management Fee payable to the General Partner pursuant to the terms of the Incentive Management Agreement.

“Initial Economic Projections” means the economic projections for the Project as of the Closing Date prepared by the Investor Limited Partner, attached hereto as Exhibit B.

“Initial Rent-Up” means the Project has reached (i) ninety percent (90%) physical occupancy of all Units in the Project for the most recent three consecutive months, and (ii) one hundred percent (100%) occupancy of the Rental Units in the Project by tenants qualifying such Rental Units as Low-Income Units.

“Initial Tenant Files” shall mean all leases, forms and supporting documentation, including but not limited to the signed income certifications, third party income and asset certifications, and the initial lease of six months or longer, qualifying a Unit as a “low-income unit” within the meaning of Section 42(i)(3) of the Code.

“Interest” means any Partnership Interest or any interest in a corporation, partnership, limited liability company, or other entity that is a Partner.

“Interest Rate” means the per annum rate of interest announced by the Wall Street Journal as the “Prime Rate” plus two hundred basis points. The Interest Rate shall change on the date each change in the “Prime Rate” is announced by the Wall Street Journal. The Interest Rate shall not exceed the highest rate of interest that may be legally charged by the party collecting such interest.

“Investor Limited Partner” means LIHTC Fund 53, LLC, a Delaware limited liability company, and its successors and assigns.

“Investor Partnership or LLC” means (a) a limited partnership composed of two or more partners, with an Affiliate of AEGON as the general partner (or with an Affiliate of AEGON having direct or indirect control of such general partner), (b) a limited liability company composed of one or more members with an Affiliate of AEGON as the managing member (or with an Affiliate of AEGON having direct or indirect control of such managing member) or (c) a limited liability company composed of one or more members with an Affiliate of AEGON as the non-member manager (or an Affiliate of AEGON having direct or indirect control of such non-member manager).

“IRS” means the Internal Revenue Service.

“Issuer” means the Newport News Redevelopment and Housing Authority.

“Land” means the approximately 31 acres of land on which the Project is to be rehabilitated, all of which are located in the City and are more particularly described in Exhibit A hereto.

“Lender(s)” means any/all lenders under any Loan together with its respective successors and assigns in such capacity.

“Limited Partner Loan” has the meaning set forth in Section 3.4.

“Limited Partners” means, collectively, the Investor Limited Partner and the Special Limited Partner; each a “**Limited Partner**”.

“Liquidating Partner” means the General Partner, unless the General Partner has been removed, in which case it shall mean the Special Limited Partner.

“Loan” means any or all of the First Mortgage Loan, the Bond Loan, or any successor or additional loan, including Limited Partner Loans and Operating Deficit Loans.

“Loan Documents” means any notes, mortgages and any other documents evidencing or securing the Loans.

“Low-Income Unit” has the meaning set forth in Section 42(i)(3) of the Code.

“Minimum Debt Service Coverage Ratio” means an average Debt Service Coverage Ratio of 1.15 to 1.0 with respect to the First Mortgage Loan.

“National Act” means the National Housing Act of 1934, as amended from time to time.

“Net Income and Net Losses” mean, for each Fiscal Year of the Partnership, an amount equal to the Partnership’s taxable income or loss for such Fiscal Year, 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:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Partnership property shall be computed by reference to the Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Value;

(d) Depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss shall be excluded;

(e) Any selling commissions, underwriting fees and other expenses of the Partnership in syndicating the Partnership Interests not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(f) Notwithstanding any other provision of this Section, any items which are specially allocated under Sections 6.2 or 6.3(c) shall not be taken into account in computing Net Income or Net Losses; and

(g) If the Value of any Partnership asset is adjusted pursuant to clause (b) of the definition of Value hereunder, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing and allocating Net Income or Net Losses.

“Notice of Default” means a written Notice of an Event of Default by the Special Limited Partner to the General Partner pursuant to Section 11.3.

“Operating Cash Flow” means, for any fiscal period, Gross Cash Receipts plus amounts drawn from Reserves for such fiscal period, reduced by the sum of the following: (i) all Partnership Expenses and (ii) any amounts (not already included as a Partnership Expense) required to fund the Capital Replacement Reserve pursuant to Section 8.7(a). Operating Cash Flow shall be determined under cash basis accounting principles and no deductions shall be made from Operating Cash Flow for non-cash deductions such as depreciation or amortization.

“Operating Deficit” means, for any Fiscal Year, the amount (if any) by which (i) Partnership Expenses (excluding the Subordinated Partnership Expenses) for the Fiscal Year (or a portion of the Fiscal Year in the First Year) exceeds (ii) the sum of (A) the Gross Cash Receipts (excluding Operating Deficit Loans), plus (B) amounts drawn from any Reserves for such Fiscal Year or portion thereof.

“Operating Deficit Guaranty Period” means the period commencing on the Rent-Up Date and ending on the fifth anniversary of the Investor Limited Partner’s Capital Contribution pursuant to Section 3.1(b)(v) and subject to the conditions described in Section 4.3.

“Operating Deficit Loan” means a loan by the General Partner or the Guarantors to the Partnership, payable solely from Operating Cash Flow and Extraordinary Cash Proceeds, which loans shall not bear interest.

“Operating Reserve” shall have the meaning set forth in Section 8.7(b).

“Original Agreement” has the meaning set forth in the Recitals.

“Outside Completion Date” shall have the meaning set forth in the definition of Completion Date.

“Partner(s)” means any/all of the General Partner, the Investor Limited Partner, the Special Limited Partner or any successors in interest at the time of the reference thereto.

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Sections 1.704-2(i)(2) and (3) of the Allocation Regulations.

“Partnership” means Berkley Preservation, LP, a Delaware limited partnership, the limited partnership continued by this Agreement.

“Partnership Expenses” means all cash costs and cash expenses paid by the Partnership of every kind and nature in connection with the Partnership’s management, business affairs and operations including, without limitation, Capital Expenditures, amounts allocated to the Reserves by the General Partner, debt service on the Loans, including any Limited Partner Loans (but excluding any payments payable solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2), and payment of any fees (except any fees paid solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2 or are otherwise deferred or subordinated). Partnership Expenses shall not include amounts paid from the proceeds of any Loans (other than Operating Deficit Loans) and/or from Capital

Contributions, including Development Costs. Any Partnership Expenses which relate to more than one period shall be allocated pro rata to the periods to which such Partnership Expenses relate.

“Partnership Interest” means a Partner’s entire ownership interest in the Partnership as of the time of determination, including any and all rights, powers and benefits accorded such Partner under this Agreement and the duties and obligations of such Partner thereunder.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(d) of the Allocation Regulations.

“Partnership Representative” means the “partnership representative” under Section 6223 of Chapter 63 of the Code (as in effect pursuant to the Bipartisan Budget Act).

“Partnership Tax Return” means the United States Partnership Income Tax Return (Form 1065) for the Partnership, together with all Schedules K-1 included therein, and all state and local tax returns and other similar schedules required to be filed with respect to operations of the Partnership.

“Payment Date” means the relevant date on which all of the conditions set forth in Section 3.1 are satisfied for the applicable Federal Payment (and collectively referred to herein as the “**Payment Dates**”).

“Percentage Interest” means with respect to the Investor Limited Partner, 99.99%, with respect to the Special Limited Partner, 0.00%, and with respect to the General Partner, 0.01% (collectively, the “**Percentage Interests**”).

“Permanent Loan Conversion” means the repayment of the Bond Loan and confirmation by the Investor Limited Partner that the Debt Service Coverage Ratio of the First Mortgage Loan is and shall in no event be less than 1.15:1.00 during the term of such Loan.

“Permitted Encumbrances” means the list of permitted exceptions, liens and encumbrances referenced on Schedule B on that certain Policy of Title Insurance issued by Stewart Title Guaranty Company, Policy No. MTAVA-114569.

“Person” means any individual, partnership, corporation, limited liability company, trust or other entity.

“Plans” means the plans and specifications for the Project as prepared by the Architect, as subsequently approved by the Lenders and the Investor Limited Partner and all amendments thereto approved by the Lenders and the Investor Limited Partner.

“Post-TEFRA Period” means each federal income tax period of the Partnership beginning after December 31, 2017 (or such other later effective date of Section 1101 of the Bipartisan Budget Act if the implementation of such provisions is delayed by legislation or regulation), and such earlier periods, if any, with respect to which the Partnership has made an election pursuant to Section 1101(g)(4) of the Bipartisan Budget Act with the consent of the Investor Limited Partner.

“Proceeds” means (i) the proceeds of all Loans, (ii) the interest income and net rental income, if any, generated by the Project which are permitted by the Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions made or to be made by the Partners, and (iv) any insurance proceeds arising out of casualties or condemnation occurring prior to Completion.

“Project” has the meaning set forth in the Recitals.

“Project Costs” means costs included in the Construction Budget attached as Exhibit C, as amended by change orders reasonably approved by the Limited Partners to the extent required hereunder.

“Project Documents” means any and all material agreements of the Partnership relating to the financing, development, rehabilitation, use or operation of the Project, including, but not limited to, all agreements set forth in Exhibit L, and as any such documents may be amended from time to time.

“Projected Annual Investor Housing Tax Credit Amount” means the amount of Housing Tax Credits projected in the Initial Economic Projections to be allocable to the Investor Limited Partner during each Fiscal Year of the Credit Period. It is currently anticipated that the Partnership will allocate Housing Tax Credits to the Investor Limited Partner of \$330,232 with respect to the year 2017, \$1,604,907 with respect to each year from 2018 to 2026, and \$1,274,675 with respect to the year 2027. If the amount of Housing Tax Credits allocable to the Investor Limited Partner during any Fiscal Year is determined to be greater or less than that reflected in the Initial Economic Projections, the term “**Projected Annual Investor Housing Tax Credit Amount**,” as used herein, shall mean such revised amount, provided that any adjustments, payments, or distributions required under Section 3.2 of this Agreement have in fact been made.

“Projected Federal Housing Tax Credit Amount” means the projected Federal Housing Tax Credits allocable to the Partnership per annum of \$1,605,068 during the Credit Period, for a total of \$16,050,678 of Federal Housing Tax Credits during the Credit Period.

“Projected First Year Federal Investor Housing Tax Credit Amount” means \$330,232 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the First Year.

“Projected Housing Tax Credit Amounts” means the Projected Federal Housing Tax Credit Amount.

“Projected Second Year Federal Investor Housing Tax Credit Amount” means \$1,604,907 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the Second Year.

“Property” means the fee interest in the Land and the Improvements and any other real or personal property acquired by the Partnership.

“Property Management Agreement” means the Management Agreement between the Partnership and the Property Manager entered into pursuant to Section 7.12 hereof, substantially in the form attached hereto as Exhibit K.

“Property Management Fee” means the annual property management fee payable to the Property Manager under the Property Management Agreement, which fee has initially been established at three percent (3%) of Gross Cash Receipts.

“Property Manager” means SHP Management Corp., a Maine corporation, or any subsequent Person selected to provide management services to the Project from time to time in accordance with Section 7.12.

“Purchase Option Agreement” means the Purchase Option Agreement dated as of even date herewith among the Partnership, the General Partner and the Limited Partners for the purchase of (i) the Project by the General Partner or its Affiliate or (ii) the purchase of the Partnership Interests of the Limited Partners by the General Partner.

“Qualified Housing Tax Credit Basis” means the qualified basis of each qualified low-income building in the Property, determined in accordance with the provisions of Section 42(c) of the Code.

“Qualified Unit” means a Unit leased to a household with an income that satisfies the requirements of Section 42(g)(1) of the Code at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Recapture Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Recapture Adjustment Year” shall have the meaning set forth in Section 3.2.

“Regulations” mean the final Treasury Regulations promulgated under the Code, as amended from time to time.

“Rental Unit” means each of the three hundred and seventy-three (373) dwelling units in the Project which are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code.

“Rent-Up Date” means the earliest date on which (a) there is Completion of the Project, (b) the Project has reached Initial Rent-Up, (c) the Project has achieved a Debt Service Coverage Ratio of 1.0 to 1.0 for a period of 90 days and (d) Permanent Loan Conversion has been achieved.

“Repurchase Option” means the Repurchase Option Agreement dated as of even date herewith, among the Guarantors and the Limited Partners for the purchase of the Limited Partners’ Partnership Interests, executed in accordance with Section 4.4.

“Reserves” means the amount of cash the General Partner is required to cause the Partnership to reserve by this Agreement, any Loan Agreements, and/or any Project Documents including but not limited to the Operating Reserve, the Capital Replacement Reserve and such other amounts as the General Partner from time to time determine to be reasonably necessary or advisable for the operation and/or maintenance of the Project of the Partnership.

“Second Year” means the year 2018, the second year in which Credits shall be allocated to the Investor Limited Partner.

“Second Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the Second Year.

“Second Year Investor Housing Tax Credit Amount(s)” means the Second Year Federal Housing Tax Credit Amount.

“Seller” means, collectively, (i) SHP-BV, LLC, a Maine limited liability company, and (ii) SHP-BW, LLC, a Maine limited liability company.

“Share of Partner Nonrecourse Debt Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partner nonrecourse debt minimum gain,” determined in accordance with the provisions of Section 1.704-2(i)(5) of the Allocation Regulations.

“Share of Partnership Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partnership minimum gain,” determined in accordance with the provisions of Section 1.704-2(g) of the Allocation Regulations.

“Sources and Uses Statement” means a master sources and uses statement identifying all Proceeds of the Partnership for the Project as of the applicable Payment Date, including the proceeds from the Loans and any Capital Contributions to the Partnership (including the Capital Contribution being made on such Payment Date) and how such funds will be utilized by the Partnership.

“Special Allocations” means the allocations as set forth in Section 6.2.

“Special Limited Partner” means Transamerica Affordable Housing, Inc., a California corporation, and its successors and assigns.

“State” means the Commonwealth of Virginia.

“Subordinated Partnership Expenses” means the Asset Management Fee and the Property Management Fee, but only to the extent the Property Management Fee is required to be subordinated to other Partnership Expenses as provided in the Property Management Agreement or as provided in this Agreement.

“Substituted Partner” means any Person admitted as a Partner to the Partnership pursuant to Section 10.3(b).

“Tax” or “Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax imposed by the IRS or any other taxing authority.

“Tax Benefits” means the sum of (a) the Limited Partners’ share of the Projected Federal Housing Tax Credit Amount or the Federal Housing Tax Credit Amount for the entire Compliance Period, and (b) the maximum federal corporate income tax rate, assumed to be twenty-five percent (25%), times the taxable losses that are projected to be available to the Limited Partners.

“Tax Credits” means any credit(s) permitted under the Code against federal income tax liability of any Partner as a result of activities or expenditures of the Partnership, including, without limitation, the Federal Housing Tax Credits.

“Tax Credit Approvals” means, with respect to the Project, the Credit Agency’s letter to the Partnership dated June 2, 2017 and Section 2 of the Issuer’s Bond Resolution dated June 20, 2017.

“TMP” has the meaning set forth in Section 7.8.

“Transfer” means, as a verb, to transfer, sell, assign, exchange, pledge, give, hypothecate or otherwise convey or encumber all or any portion of an Interest and, as a noun, any transfer, sale, assignment, exchange, charge, gift, hypothecation or other conveyance or encumbrance of all or any portion of an Interest.

“Unit” means each of the three hundred and seventy-three (373) rental units comprising the Project.

“Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The Value of any asset contributed by or distributed to a Partner shall be the gross fair market value of such asset, as determined at the time of contribution or distribution by agreement between the contributing or distributing Partner and the other Partners;

(b) The Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by a unanimous decision of the Partners (or by appraisal if the Partners cannot reach a unanimous decision) as of the following times: (x) the acquisition of an additional Partnership Interest by any new or existing Partner in exchange for a capital contribution not presently provided for under the Agreement; (y) the distribution by the Partnership to a Partner of Partnership Property other than money, unless all Partners receive simultaneous distributions of undivided interest in the distributed Property in proportion to their Partnership Interests; and (z) the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code or the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that clause (x) or (y) shall not apply to a contribution or distribution of property of a de minimis gross fair market value;

(c) If the Value of a Partnership asset has been determined or adjusted pursuant to clause (a) or (b), such Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses;

(d) The term “gross fair market value” means the amount which would be paid for a particular property by a willing buyer to a willing seller (neither under any

compulsion to buy or sell) unreduced by any liabilities secured by the property or assumed by any party in connection therewith;

(e) The Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 732(d), Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 6.2(b) hereof; provided, however, that Values shall not be adjusted pursuant to this clause (e) to the extent that an adjustment pursuant to clause (b) hereof is made in connection with a transaction that would otherwise result in an adjustment pursuant to clause (e).

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjective forms “Withdrawing” and “Withdrawn”) means as to a General Partner, the occurrence of the Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including without limitation, any Transfer of its Interest and those situations when such General Partner may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

“Withdrawing Limited Partner” means Fairstead Affordable LLC, a Delaware limited liability company.

ARTICLE 2 ORGANIZATION

2.1 Continuation.

Upon execution of this Agreement, each of the Investor Limited Partner and the Special Limited Partner is admitted to the Partnership and the Withdrawing Limited Partner withdraws from the Partnership and acknowledges that its limited partner interests have been redeemed in an amount equal to its capital contributions to the Partnership, its percentage interest in the Partnership has been reduced to zero and has no further interest in or claims against the Partnership. The General Partner and the Limited Partners do hereby amend and restate the Original Agreement in its entirety and continue the Partnership as a limited partnership pursuant to the Act for the purposes and upon the terms and conditions set forth in the Agreement.

2.2 Name.

The name of the Partnership shall be “Berkley Preservation, LP”. All business of the Partnership shall be conducted under such name.

2.3 Principal Place of Business.

The principal place of business and office of the Partnership shall be 152 W. 57th Street, 36th Floor, New York, NY 10019. The General Partner may change the principal place of business of the Partnership to any other place upon filing an amendment to the Certificate of Limited Partnership and giving thirty (30) days’ written notice to the Limited Partners.

2.4 Purposes.

The purpose of the Partnership shall be to acquire the Land and rehabilitate the Improvements, and maintain, own, operate, lease and otherwise deal with the Project as a rental housing project in accordance with the Project Documents and the provisions of this Agreement. The Partnership shall not engage in any other business or activity without the prior written approval of all the Partners.

2.5 Term.

The term of the Partnership shall continue until December 31, 2067. This Agreement shall be effective as of the date first above written.

2.6 Partners.

Unless and until Substituted Partners are admitted pursuant to the terms of Article 10 and upon the withdrawal of the Withdrawing Limited Partner, the General Partner shall be the sole general partner of the Partnership and the Limited Partners shall be the sole limited partners of the Partnership (within the meaning of the Act). Except as otherwise expressly provided herein, no Partner may be removed as a Partner of the Partnership without such Partner's prior written approval.

2.7 Filings

(a) Certificate of Limited Partnership; Amendments. The General Partner shall (i) timely cause amendments to the Certificate of Limited Partnership to be filed whenever required by the Act, and (ii) timely cause amendments to the qualification to conduct business in the Commonwealth of Virginia to be filed when required. The General Partner shall timely take any and all other actions as may be necessary or appropriate (i) to comply with all laws that apply to the Partnership or the conduct of its business; (ii) to perfect and maintain the status of the Partnership as a limited partnership under the Act and the laws of the State of Delaware and the State and any other states or jurisdictions in which the Partnership engages in business; and (iii) to protect the limited liability of each of the Limited Partners.

(b) Agent for Service of Process. The agent for service of process of the Partnership shall be Stellar Corporate Services LLC, 3500 S. Dupont Hwy, Dover, DE 19901 or any successor individual or entity named by the Partnership.

(c) Fictitious Business Name Statement. The General Partner shall cause appropriate fictitious business name and like statements to be filed and published for the Partnership if and as required by law.

(d) Taxpayer Identification Number. The federal taxpayer identification number for the Partnership is 81-4229581.

2.8 Outside Activities of Partners.

Except as otherwise provided herein, each of the Partners and any Affiliate may engage or possess interests in other business ventures of every kind and description for its own account,

including, without limitation, the ownership or management of other real estate projects, developments or undertakings. Neither the Partnership nor the other Partners shall have any rights by virtue of this Agreement in such independent business ventures or to income or profits derived therefrom.

ARTICLE 3
CAPITALIZATION OF PARTNERSHIP;
PARTNERSHIP INTERESTS

3.1 Capital Contributions.

(a) General Partner. On or before the Closing Date, the General Partner will make a Capital Contribution to the Partnership in the amount of \$100, and the General Partner's Capital Account balance as of the Closing Date shall be \$100. The General Partner shall also be required to make additional Capital Contributions, as needed, in accordance with Section 3.2(c) of this Agreement. If the Deferred Development Fee is not paid in full on or before December 31st of the fifteenth (15th) year following the year in which Completion occurs, the General Partner shall make a Capital Contribution of funds to the Partnership in an amount sufficient to pay the Deferred Development Fee in full.

(b) Investor Limited Partner. Subject to the adjustments of Section 3.2 and the satisfaction of the conditions precedent in this Section 3.1(b) and in Section 3.1(c), as applicable, the Investor Limited Partner shall make a total Capital Contribution to the Partnership in the amount of \$14,511,867 as follows:

(i) First Federal Payment. \$3,678,742 (the "**First Federal Payment**"), a portion of which in the amount of \$67,700 shall be applied on behalf of the Investor Limited Partner to payment of its legal fees and expenses in connection with the closing of the investment contemplated hereunder, and a portion of which shall be funded into the Repair Escrow Account (in accordance with, and as such term is defined in, the First Mortgage Loan Documents), shall be made upon satisfaction of the conditions set forth in this Section 3.1(b)(i) for the payment of the First Federal Payment (the "**First Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) The Closing Date has occurred and the Limited Partners have been admitted to the Partnership.

(B) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(C) The General Partner has provided the Investor Limited Partner, with all due diligence items required by the Investor Limited Partner, including, but not limited to, the following:

1. Evidence that the First Mortgage Loan and the Bond Loan will close as of the Closing Date.

2. Tax Credit Approvals by each of the Credit Agency and the Issuer to the Partnership.

3. Evidence that the Partnership has acquired title to the Property.

4. A copy of the amortization schedule for the First Mortgage Loan, substantially in the form of Exhibit E.

5. The executed HAP Contract.

(ii) Second Federal Payment. \$2,166,625 (the “**Second Federal Payment**”) shall be made upon the later to occur of (1) January 1, 2018, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(ii) for the payment of the Second Federal Payment (the “**Second Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Rehabilitation of the Project is twenty-five (25%) percent complete, meaning:

(i) the Architect and the Construction Inspector have delivered the Architect’s Certificate, substantially in the form of Exhibit G-1 and dated within ten (10) days of the Second Payment Date (a copy of which shall be delivered to the Limited Partners no later than seven (7) Business Days prior to this Payment Date);

(ii) a title endorsement to the owner’s title policy dated within five (5) Business Days of this Payment Date demonstrating that the Property is free of any mechanics’ or materialmen’s liens (except for liens which are bonded against or insured over in a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby); and

(iii) invoices documenting all soft costs to be paid for work to date have been received by the Limited Partners. Any representation of the General Partner under this Agreement that the work is twenty-five (25%) percent complete shall be subject to confirmation by the Limited Partners or their representatives pursuant to a physical inspection of the Property. Such physical inspection shall be conducted within ten (10) Business Days after notice from the General Partner to the Limited Partners stating that the work is twenty-five (25%) percent complete. If the inspection is not carried out within such time period (as the same may be extended by written agreement of the parties), the Limited Partners will be deemed to have waived their right of inspection. Any objections raised as a result of such physical inspection shall be noted in a document delivered to the General Partner within ten (10) Business Days following the completion of the physical inspection, and, provided that the conditions in (i), (ii) and (iii) above have all in fact been satisfied, the failure by the Limited

Partners to notify the General Partner within the ten (10) Business Day period of any such objections shall be deemed to constitute an acknowledgement that the work is twenty-five (25%) percent complete. If any objections are noted, the Partnership shall have the right to correct or cure the same within a commercially reasonable period, which shall in no event exceed ninety (90) days.

(B) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(iii) Third Federal Payment. \$3,611,042 (the “**Third Federal Payment**”) shall be made upon the later to occur of (1) April 1, 2018, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(iii) for the payment of the Third Federal Payment (the “**Third Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Rehabilitation of the Project is fifty (50%) percent complete, meaning:

(i) the Architect and the Construction Inspector have delivered the Architect’s Certificate, substantially in the form of Exhibit G-1 and dated within ten (10) days of the Second Payment Date (a copy of which shall be delivered to the Limited Partners no later than seven (7) Business Days prior to this Payment Date);

(ii) a title endorsement to the owner’s title policy dated within five (5) Business Days of this Payment Date demonstrating that the Property is free of any mechanics’ or materialmen’s liens (except for liens which are bonded against or insured over in a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby); and

(iii) invoices documenting all soft costs to be paid for work to date have been received by the Limited Partners. Any representation of the General Partner under this Agreement that the work is fifty (50%) percent complete shall be subject to confirmation by the Limited Partners or their representatives pursuant to a physical inspection of the Property. Such physical inspection shall be conducted within ten (10) Business Days after notice from the General Partner to the Limited Partners stating that the work is fifty (50%) percent complete. If the inspection is not carried out within such time period (as the same may be extended by written agreement of the parties), the Limited Partners will be deemed to have waived their right of inspection. Any objections raised as a result of such physical inspection shall be noted in a document delivered to the General Partner within ten (10) Business Days following the completion of the physical inspection, and, provided that the conditions in (i), (ii) and (iii) above have all in fact been satisfied, the failure by the Limited Partners to notify the General Partner within the ten (10) Business Day period of any

such objections shall be deemed to constitute an acknowledgement that the work is fifty (50%) percent complete. If any objections are noted, the Partnership shall have the right to correct or cure the same within a commercially reasonable period, which shall in no event exceed ninety (90) days.

(B) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(iv) Fourth Federal Payment. \$1,299,975 (the “**Fourth Federal Payment**”) shall be made upon the later to occur of (1) January 1, 2019, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(iv) for the payment of the Fourth Federal Payment (the “**Fourth Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Completion has occurred by the Outside Completion Date.

(B) Delivery of Certificates of Occupancy (or their equivalent) from applicable authorities for 100% of the Units.

(C) Delivery to the Limited Partners of the Architect’s Certificate dated within ten (10) days of this Payment Date, substantially in the form of Exhibit G-2, that the Project is substantially complete with only minor outstanding punch list items.

(D) Delivery to the Limited Partners of a certificate of the General Partner dated as of this Payment Date, substantially in the form of Attachment A to Exhibit F.

(E) Delivery of copies of any additional Governmental Permits required to be issued for Completion of the Project, and the readiness thereof for occupancy.

(F) Delivery of a pay-off letter from the Contractor dated within ten (10) days of this Payment Date, executed by an authorized officer of the Contractor, which states with respect to the Project (1) that all amounts payable to the Contractor for work done through Completion of the Project have been paid in full, excluding punch list items, retainage and amounts which are to be paid from this Federal Payment; (2) the amount to be paid to the Contractor from this Federal Payment; (3) the total unpaid amount due to the Contractor, including all amounts relating to punch list items and retainage; (4) that payment of this Federal Payment satisfies all of the Partnership’s obligations to the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project, other than such amounts relating to punch-list items and retainage, and upon payment of such Federal Payment, all liens or rights of lien which either the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project for all work done through

Completion of the Project will be fully paid and discharged; and (5) that the Partnership is not in violation of any provision of the Construction Contract.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of this Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner), and any additional endorsements required by Investor Limited Partner to the owner's title policy that were not available on the owner's title policy as of the Closing Date but are available upon rehabilitation completion (i.e. access, utilities facilities, etc.).

(H) Delivery of (i) a current as-built ALTA Survey (or equivalent) of the Project acceptable to (1) the Limited Partners and (2) the title insurance company issuing the Partnership's owner's policy, or (ii) a certification from the General Partner to the Limited Partners that the as-built ALTA Survey approved by the Limited Partners as of the Closing Date has not changed since the Closing Date.

(I) Deliver of documentation of Environmental Protection Agency lead-based paint (LBP) tenant notification in form and substance satisfactory to the Limited Partners.

(J) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(v) Fifth Federal Payment. \$2,888,833 (the "**Fifth Federal Payment**") shall be made upon the later to occur of (1) August 1, 2019, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(v) for the payment of the Fifth Federal Payment (the "**Fifth Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Initial Rent-Up has been achieved, including, without limitation, delivery of a current rent roll and the most recent financial statements for the Partnership;

(B) Permanent Loan Conversion has, or shall concurrent with the funding of the Fifth Federal Payment, occurred (the Asset Manager shall be provided at least ten (10) Business Days to review and approve (such approval not to be unreasonably withheld, conditioned or delayed) the permanent loan documents, if any, before they are executed by the Partnership);

(C) The Project has achieved a Debt Service Coverage Ratio of 1.15 to 1.0 for the most recent three (3) consecutive months. For the purposes of calculating the Debt Service Coverage Ratio pursuant to this Section 3.1(b)(v)(C),

actual subsidy income received by the Partnership through such date pursuant to the HAP Contract shall be taken into account.

(D) The Asset Manager has received an electronic copy of all Initial Tenant Files (which have incorporated all modifications requested by the Compliance Auditor) and a rent roll listing all tenants relied upon to fulfill the Initial Rent-Up requirement; and

(E) The Asset Manager has received a copy of the Compliance Audit.

(F) Delivery of a copy of the Cost Certification for the Project, as accepted by the Limited Partners and submitted to the Credit Agency.

(G) Delivery of a copy of the Accountants' Fifty Percent Test Certification to the extent not included in the Cost Certification.

(H) Delivery of a copy of the Form 8609 issued with respect to each building in the Project.

(I) The Partnership has filed a federal income tax return for all prior years and delivered a copy of such returns and the Forms K-1 to the Limited Partners.

(J) The Accountants have delivered to the General Partner and the Limited Partners the Accountants' Certificate substantially in the form of Exhibit H, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Fifth Federal Payment in accordance with Section 3.2.

(K) The Extended Use Agreement has been recorded in the land records where the Project is located and, with the exception of the First Mortgage Lender, all Lenders have subordinated their mortgages of record to the Extended Use Agreement to the extent required by Section 42(h)(6) of the Code.

(L) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of this Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner), and any additional endorsements required by Investor Limited Partner to the owner's title policy that were not available on the owner's title policy as of the Closing Date but are available upon rehabilitation completion (i.e. access, utilities facilities, etc.).

(M) The General Partner has given the Limited Partners at least twenty (20) days prior written notice of the Partnership's proposed date for payment.

(N) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(O) Except for Operating Deficit Loans or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections, or other than previously approved by the Investor Limited Partner.

(P) There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections unless such material modification to the terms of any loan is consented to by the Investor Limited Partner.

(Q) Delivery of (i) the most recent audited financial statements of Fairstead Affordable LLC, obtained at the expense of Fairstead Affordable LLC, for such fiscal year prepared by an outside accountant evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, (ii) the tax return for Fairstead Affordable LLC for such fiscal year, (iii) a certificate of Fairstead Affordable LLC certifying that the Guarantors are in compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, and (iv) the most recent unaudited, self-certified financial statements of Stuart Feldman for such fiscal year, obtained at the expense of Stuart Feldman, evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty.

(R) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(vi) Final Federal Payment. \$866,650 (the “**Final Federal Payment**”) shall be made upon the later to occur of (1) July 1, 2020, or (2) satisfaction of the conditions set forth in this Section 3.1(b)(vi) for the payment of the Final Federal Payment (the “**Final Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Full funding of all Reserves have been completed or will be completed concurrently with the Final Federal Payment, pursuant to the terms of Section 8.7.

(B) The General Partner has given the Limited Partners at least twenty (20) days prior written notice of the Partnership’s proposed date for payment.

(C) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(D) The Accountants have delivered to the General Partner and the Limited Partners the Accountants’ Certificate substantially in the form of Exhibit H, updated based upon the actual facts to show any applicable adjustments to the

Capital Contributions and the Final Federal Payment in accordance with Section 3.2.

(E) Except for Operating Deficit Loans or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections, or other than previously approved by the Investor Limited Partner.

(F) There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections, unless consented to by the Investor Limited Partner.

(G) Delivery of (i) the most recent audited financial statements of Fairstead Affordable LLC, obtained at the expense of Fairstead Affordable LLC, for such fiscal year prepared by an outside accountant evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, (ii) the tax return for Fairstead Affordable LLC for such fiscal year, (iii) a certificate of Fairstead Affordable LLC certifying that the Guarantors are in compliance with the applicable net worth and liquidity requirements set forth in the Guaranty, and (iv) the most recent unaudited, self-certified financial statements of Stuart Feldman for such fiscal year, obtained at the expense of Stuart Feldman, evidencing compliance with the applicable net worth and liquidity requirements set forth in the Guaranty.

(H) All conditions and provisions of Section 3.1(c) shall have been satisfied.

(c) Additional Conditions Precedent to Capital Contributions. The obligation of the Investor Limited Partner to make each Federal Payment (except as otherwise provided) is subject to each of the following conditions, each of which shall be satisfactory to the Investor Limited Partner:

(i) Prior Installment Conditions. All conditions for all previous installments of Capital Contributions shall have been satisfied and all of such prior installments shall have become due.

(ii) No Event of Default. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by a General Partner as of the applicable Payment Date.

(iii) Partnership Accounts. All accounts, including all Reserves, of the Partnership required to be maintained under the terms of the Project Documents are currently funded to levels required by this Agreement and any Lender or Authority.

(iv) Reporting Requirements. All reporting obligations of the General Partner to the Limited Partners under Section 8.3(c) of this Agreement have been satisfied, to the extent then applicable.

(v) Representations and Warranties. The General Partner represents and warrants to the Partnership and the Limited Partners that as of each Payment Date:

1. All of the conditions precedent set forth in Section 3.1(b) with respect to the relevant Federal Payment are satisfied;

2. No Event of Default has occurred (including any default under any Project Document);

3. All of the representations and warranties of the General Partner made as of the Closing Date and each prior Payment Date, as applicable, are true and correct in all material respects as of the relevant Payment Date;

4. The Partnership has not been notified by a federal, state or municipal agency that it is in material violation of any Hazardous Substances Laws and that such material violation is continuing. As used in this section, “material violation” means any violation of a Hazardous Substances Law (A) which jeopardized or could jeopardize the ability of the Partnership to develop, own, or operate the Project as housing eligible for the Housing Tax Credits, and (B) the correction of which will require the Partnership to spend funds beyond those likely to be available to the Partnership for such purposes in the ordinary course of events; and

5. There has been no material change in the financial condition of the General Partner.

(vi) Deliverables. Each and every one of the following documents, all in form and substance reasonably satisfactory to the Limited Partners, shall be executed by all necessary parties, be in final form and delivered to the Limited Partners no later than seven (7) Business Days prior to each Payment Date:

1. A certificate of the General Partner dated as of the relevant Payment Date, substantially in the form of Exhibit F, certifying that all of the representations and warranties of the General Partner in Section 3.1(c) are true and correct in all material respects as of the applicable Payment Date.

2. For each Federal Payment other than the First Federal Payment, an estoppel certificate from each Lender dated within thirty (30) days of the relevant Payment Date, in form and substance reasonably satisfactory to the Limited Partners, stating that, to the best of its knowledge, there are no defaults or events which, with notice or the passage of time or both, would constitute a default under such Loan.

3. For each Federal Payment other than the First Federal Payment, an estoppel certificate from the Property Manager dated within thirty (30) days of the relevant Payment Date, in form and substance satisfactory to the Limited Partners, stating that the Property Management Agreement is in full force

and effect and that, to the best of its knowledge, no material breach or default has occurred hereunder.

4. Copies of any notices or other written communications received from the Credit Agency with respect to Federal Housing Tax Credits generated by the Project and/or compliance by the Partnership and/or the Partners with respect to federal and/or State Federal Housing Tax Credit statutes and regulations applicable to the Project.

5. A Sources and Uses Statement.

3.2 Adjustment of Capital Contributions; Recapture.

If the actual Federal Housing Tax Credit Amounts, the First Year Investor Housing Tax Credit Amounts and/or the Second Year Investor Housing Tax Credit Amount varies from that set forth in the Initial Economic Projections, then adjustments will be made to the Investor Limited Partner's Capital Contributions as of the Fifth Payment Date and/or the Final Payment Date in accordance with this Section 3.2.

(a) [Intentionally Omitted].

(b) Accountants' Certificate. For purposes of preparing the Accountants' Certificate as of the Fifth Payment Date and the Final Payment Date the Accountants shall:

(i) Determine whether the Federal Housing Tax Credit Amount, as calculated below, is less than or greater than the Projected Federal Housing Tax Credit Amount. As of the Fifth Payment Date, the Accountants shall determine the Eligible Basis from the Cost Certification and the IRS Form 8609s for the Project. Upon a determination that the Federal Housing Tax Credit Amount differs from the Projected Federal Housing Tax Credit Amount, the Accountants shall calculate the decrease or the increase ("**Federal Housing Tax Credit Adjustment Amount**"). The Federal Housing Tax Credit Adjustment Amount shall equal an amount such that the Investor Limited Partner's total Capital Contribution shall equal the product of (V) the Qualified Housing Tax Credit Basis times (W) the Housing Tax Credit Percentage times (X) 10 times (Y) \$0.90 times (Z) 99.99%, provided that under no circumstances shall the product of (V) and (W) exceed the Federal Housing Tax Credit Amount allocated or allowable pursuant to Section 42 of the Code to the Partnership (subject to any further adjustment pursuant to this Section 3.2), and provided further that in no event shall the Investor Limited Partner's Capital Contribution be increased by an amount in excess of \$1,451,186 (which amount equals ten percent (10%) of the aggregate amount of the Investor Limited Partner's Capital Contribution set forth in Section 3.1(b)) (the "**Maximum Upward Adjuster Amount**").

(ii) Determine whether the First Year Federal Investor Housing Tax Credit Amount is less than or more than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such decrease or increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal

Investor Housing Tax Credit Amount and that such difference will be deferred to the first taxable year following the expiration of the Credit Period (the “**Deferred First Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred First Year Federal Housing Tax Credits, which shall equal \$0.50 per dollar of Deferred First Year Federal Housing Tax Credit. If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be increased \$0.50 for each \$1.00 that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, provided that in no event shall the Investor Limited Partner’s Capital Contribution be increased, together with any other increase pursuant to the provisions of this Section 3.2(b), by an amount in excess of the Maximum Upward Adjustment Amount.

(iii) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is less than or more than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent such decrease or increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the second taxable year following the expiration of the Credit Period (the “**Deferred Second Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred Second Year Federal Housing Tax Credits, which shall equal \$0.50 per dollar of Deferred Second Year Federal Housing Tax Credit. If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be increased \$0.50 for each \$1.00 that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, provided that in no event shall the Investor Limited Partner’s Capital Contribution be increased, together with any other increase pursuant to the provisions of this Section 3.2(b), by an amount in excess of the Maximum Upward Adjustment Amount.

(c) Adjustment(s) to Limited Partner Capital Contribution(s).

(i) Adjustment to Investor Limited Partner’s Capital Contribution. Upon the Partners receiving the Accountants’ Certificate showing any Federal Housing Tax Credit Adjustment Amount, Deferred First Year Federal Housing Tax Credits, Deferred Second Year Federal Housing Tax Credits, the total amount of the Investor Limited Partner’s Capital Contribution shall be adjusted (A) upward or downward by the Federal Housing Tax Credit Adjustment Amount, (B) upward or downward by the increase or loss in present value of the Deferred First Year Federal Housing Tax Credits, and/or (C) upward or downward by the increase or loss in present value of the Deferred Second Year Federal Housing Tax Credits. If on the Fifth Payment Date or the Fifth Payment Date the total of the adjustments contemplated by clauses (A), (B) and (C) of the preceding sentence is downward and exceeds the aggregate amount of the Fifth Federal Payment and the Final Federal Payment (the “**Excess Federal Adjuster**”), then the Excess Federal Adjuster shall be repaid by the Partnership to the Investor Limited Partner as a return of

capital, provided that if the Partnership does not have sufficient funds, the General Partner shall promptly contribute sufficient funds to the Partnership to allow the Partnership to repay the Excess Federal Adjuster.

If there is an Excess Federal Adjuster due pursuant to Section 3.2 of this Agreement as of the Fifth Payment Date or the Final Payment Date, and such Excess Federal Adjuster is due in whole or in part to a change in the Federal Housing Tax Credit Amount expected to be allocable to the Investor Limited Partner, a schedule of the adjusted Federal Housing Tax Credits shall be prepared for the remaining period during which Federal Housing Tax Credits are expected to be allocable to the Investor Limited Partner and shall serve as the baseline for calculating future adjustments in Federal Housing Tax Credits for purposes of this Partnership Agreement.

(d) Payment of Federal Recapture Amount. If, as a result of a Federal Recapture Event, the Investor Limited Partner is required to recapture all or any portion of the Federal Housing Tax Credits previously allocated to it by the Partnership, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Federal Recapture Amount. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Federal Recapture Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds ("**Recapture Adjuster Distribution**") arising in the Fiscal Year in which such adjustment is determined ("**Recapture Adjustment Year**") prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Federal Recapture Amount as described above during the Recapture Adjustment Year, the General Partner shall promptly contribute funds to the Partnership equal to the unpaid balance of the Federal Recapture Amount and make an immediate Recapture Adjuster Distribution.

(e) Payment of Annual Housing Tax Credit Shortfall Amount. If there is an Annual Housing Tax Credit Shortfall, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Annual Housing Tax Credit Shortfall Amount as calculated by the Accountants within ten (10) days following the Accountants' Determination or Final Determination that an Annual Housing Tax Credit Shortfall exists. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments, or (ii) the adjustment required to pay the Annual Housing Tax Credit Shortfall Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds ("**Annual Shortfall Adjuster Distribution**") arising in the Fiscal Year in which such adjustment is determined ("**Annual Shortfall Adjustment Year**") prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Annual Housing Tax Credit Shortfall Amount in the Annual Shortfall Adjustment Year, the General Partner shall promptly contribute funds to the Partnership equal to the unpaid balance of the Annual Housing Tax Credit Adjustment Amount and make an Annual Shortfall Adjuster Distribution. Notwithstanding anything to the contrary in this Section 3.2(e), neither a reduction to the Investor Limited Partner's remaining Capital

Contribution payments nor an Annual Shortfall Adjuster Distribution shall be required with respect to any Fiscal Year in the Credit Period to the extent such reduction in the Investor Limited Partner's remaining Capital Contribution payments or Annual Shortfall Adjuster Distribution would be duplicative of any adjustments or payments made pursuant to Sections 3.2(c) and (d) hereof.

(f) Payment of Future Downward Housing Tax Credit Adjustment Amount. If at any time after the Final Payment Date there is an Accountants' Determination or a Final Determination that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount (an "**Aggregate Housing Tax Credit Shortfall**"), which, shall take into account the years remaining in the Credit Period after the expiration of the current Fiscal Year) due to a shortfall or reduction in the Eligible Basis, the Partnership shall distribute to the Investor Limited Partner an amount (the "**Future Downward Housing Tax Credit Adjustment Amount**") equal to the product of (1) the Aggregate Housing Tax Credit Shortfall times (2) \$0.90, times (3) 99.99% (the "**Future Downward Adjuster Distribution**"). Any such Future Downward Adjuster Distribution shall be made from Operating Cash Flow or Extraordinary Cash Proceeds arising in the Fiscal Year in which such adjustment is determined prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds in the applicable Fiscal Year to fully pay the Future Downward Housing Tax Credit Adjustment Amount, the General Partner shall promptly contribute to the Partnership sufficient funds to allow the Partnership to make a Future Downward Adjuster equal to the unpaid balance of the Future Downward Housing Tax Credit Adjustment Amount. Amounts returned to the Investor Limited Partner pursuant to this Section 3.2(f) shall be in addition to, and shall not be offset or otherwise reduced by, any amount paid pursuant to Section 3.2(e).

(g) Limitation on the Obligation to Pay Future Downward Housing Tax Credit Adjustment Amount. Notwithstanding anything to the contrary contained herein, in the event that there is an Aggregate Housing Tax Credit Shortfall for any reason other than a shortfall or reduction in the Eligible Basis (i.e. 15 of the Units in the Project are supposed to be Rental Units, but the Partnership rents 2 vacant units that previously were occupied by Qualified Tenants to market-rate tenants in violation of the next available unit rule, resulting in a reduction in the Qualified Housing Tax Credit Basis but not a shortfall or reduction in the Eligible Basis), the General Partner shall not be required to contribute funds to the Partnership to make a Future Downward Adjuster Distribution, and the sole compensation due to the Investor Limited Partner with respect to such Aggregate Housing Tax Credit Shortfall shall be the Annual Housing Tax Credit Shortfall Amount payable on an annual basis in accordance with Section 3.2(e).

3.3 Liability of Limited Partners; No Other Contributions.

Each of the Limited Partners shall be liable only to make payments of its Capital Contributions as and when due under this Agreement. The Limited Partners shall not be liable for any debts, liabilities, contracts or obligations of the Partnership. Except as provided in Sections 3.2, Article 4 and the Guaranties contemplated thereunder and Section 12.3, no Partner shall be required to make Capital Contributions in excess of the amounts established pursuant to Section 3.1, as adjusted by Section 3.2, without the prior written consent of such Partner. Except as provided in Section 3.4, no Partner shall have the right to make voluntary Capital Contributions to the capital of the Partnership.

3.4 Limited Partner Loans.

Any Limited Partner may, in its sole discretion, make loans to the Partnership (a “**Limited Partner Loan**”) in the event that the Partnership is unable to make any required payments under applicable Loan Documents or pay other material expenses; provided that the Limited Partners may make such loans by making the payments directly on behalf of the Partnership. A Limited Partner Loan shall be payable out of Operating Cash Flow in accordance with Section 5.1 and shall bear interest at the rate per annum equal to the lesser of (a) the Interest Rate plus three percent (3%) or (b) the maximum rate permitted by law. If required by any Loan Documents, the General Partner shall provide notice to the applicable Lender upon the making of any Limited Partner Loan.

3.5 Capital Accounts.

(a) A separate Capital Account shall be maintained in respect of each Partner in accordance with the applicable requirements of Section 704(b) of the Code and the applicable provisions of the Regulations relating to the allocation of tax attributes to the Partners. Each Partner’s Capital Account shall be credited with (i) the amount of such Partner’s Capital Contributions as and when made by such Partner, (ii) such Partner’s distributive share of any Net Income of the Partnership allocated to such Partner under Section 6.1, (iii) any imputed interest specially allocated to such Partner under Section 6.3, (iv) any amounts in the nature of income or gain specially allocated to such Partner under Section 6.2, and (v) the amount of any Partnership liability assumed by, or secured by property distributed to, such Partner. Each Partner’s Capital Account shall be debited with (x) the amount of any money and the Value (determined as of the date of distribution) of any property other than money distributed by the Partnership to such Partner, (y) such Partner’s share of any Net Losses and Depreciation of the Partnership allocated to such Partner under Section 6.1 or any amounts in the nature of losses or expenses specially allocated to such Partner under Section 6.2, and (z) the amount of any liabilities of such Partner assumed by, or secured by property contributed by such Partner to, the Partnership (determined in accordance with Code Section 752(a) and any other applicable provisions of the Code and Regulations).

(b) In the event any Partnership Interest is transferred in accordance with the terms of this Agreement, the Assignee or Substituted Partner shall succeed to the Capital Account of the transferor Partner to the extent it relates to the transferred Partnership Interest with adjustments to the Capital Account for a partial Fiscal Year to be determined on a daily basis, using any method permissible under Code Section 706 and the Regulations thereunder selected by the General Partner.

(c) In the event that the Values of the assets of the Partnership are adjusted, the Capital Accounts of the Partners shall be adjusted for the hypothetical “book” gain or loss that would have been realized by the Partners if the Partnership had sold all the assets of the Partnership for their Values in a cash sale, with the net amount of any gain or loss being treated as actually recognized for purposes of Article 6 and shall be adjusted in accordance with Regulations § 1.704-1(b)(2)(iv)(g) for allocations of gain, loss or depreciation as computed for book purposes.

(d) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

3.6 No Interest on Capital; Capital Withdrawals and Returns

No interest shall be paid to any Partner on all or a portion of a Capital Contribution or on a balance in its Capital Account. No Partner shall have the right to withdraw or reduce its Capital Contributions to the capital of the Partnership except in accordance with this Agreement.

3.7 Withholding of Capital Contribution Upon Default

In the event that: (i) a General Partner has not substantially complied with any material provisions (and such noncompliance has not been corrected within the applicable notice and cure period) of this Agreement; (ii) any financing commitment of the Lender(s), or any agreement entered into by the Partnership for financing related to the Project, has terminated; or (iii) foreclosure proceedings have been commenced against the Project, then the Partnership and such General Partner shall be in default of this Agreement, and the Investor Limited Partner, at its sole election, may withhold payment of any installment of Capital Contributions otherwise payable to the Partnership; provided however, if a payment of all or any portion of the then due installment of Capital Contribution will cure the event justifying the withholding, then the Investor Limited Partner shall pay such installment otherwise payable if it is applied to cure such event. At the sole election of the Investor Limited Partner, it may directly apply all or any part of any unpaid installment of Capital Contribution to cure the event justifying the withholding. Unless applied as set forth above, all amounts so withheld by the Investor Limited Partner under this Section shall be promptly released to the Partnership only after the General Partner or the Partnership has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to Investor Limited Partner.

ARTICLE 4 FINANCING AND GUARANTIES

4.1 Financing.

(a) The General Partner shall cause the Partnership to obtain the financing for the Project as set forth in the Financing Summary attached hereto as Exhibit I in accordance with this Section 4.1, subject to the prior approval of the Limited Partners to any changes in the loan terms set forth in the Financing Summary and to any amendments to the Loan Documents.

(b) On or before the Closing Date, the Partnership shall enter into each of the Loans.

(c) After Completion of the Project, the General Partner shall cause the Partnership to take all action necessary to achieve Permanent Loan Conversion. In the event there are insufficient Proceeds to achieve Permanent Loan Conversion, the General Partner shall advance to the Partnership all funds necessary to achieve Permanent Loan Conversion. Any such advances shall be made in fulfillment of the General Partner's obligations to the Partnership hereunder, and shall be deemed a capital contribution of the General Partner; provided, however such treatment as a capital contribution does not adversely impact the Investor Limited Partner.

4.2 Completion and Development Deficiency Guaranty.

(a) The General Partner hereby unconditionally and irrevocably guarantees to the Partnership and the Limited Partners that if for any reason or under any contingency, the Contractor shall (i) be in default under the Construction Contract after expiration of any notice and cure periods; (ii) abandon rehabilitation of the Project for a period of thirty (30) consecutive days before Completion; (iii) fail to complete rehabilitation of the Project in accordance with the Plans, the rehabilitation schedule approved by the Investor Limited Partner and the requirements of all loan commitments for all Loans; (iv) fail to pay all costs of rehabilitation so that the Project will be constructed and Completed free and clear of mechanic's and materialmen's liens (except for liens which are bonded against or insured over in a manner to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby); or (v) fail to achieve Completion of the Project on or before the Outside Completion Date for an amount which is less than or equal to the Fixed Price Cost plus any Reserves required to be funded on or before such date to be used for rehabilitation, then, in any such event, the General Partner will, within fifteen (15) Business Days after notice from the Partnership or the Limited Partners, assume all responsibility for Completion of the Project in accordance with the Construction Contract and the requirements of all Lenders in accordance with the Plans and, at the General Partner's own cost and expense, cause the Project to reach Completion no later than sixty (60) days after the Outside Completion Date. The General Partner shall pay all bills, expenses, charges, costs and fees relating in any manner to or otherwise in connection with such rehabilitation (provided, the General Partner may be reimbursed for such costs, fees and expenses funded by the General Partner pursuant to this Section less all other amounts expended by the Partnership in connection with the rehabilitation of the Project).

(b) If the General Partner does not assume responsibility for Completion of rehabilitation and commence to diligently prosecute rehabilitation within fifteen (15) Business Days after written notice, the General Partner shall be in default under this Agreement and the Limited Partners shall have the rights given to them in Section 11.3 hereof. In the event the Limited Partners exercise any rights under Section 11.3, the Partnership, at the request of the Special Limited Partner may, at its option but without obligation to do so, take over rehabilitation of the Project and take such actions as the Partnership shall deem necessary or desirable to reach Completion of the Project. All expenditures made by the Partnership shall be immediately due and payable from the General Partner to the Partnership and shall bear interest from the date of expenditure, at the Interest Rate. No such action by the Partnership shall release or limit the liability of the General Partner hereunder or affect the rights and obligations of the parties under the Construction Contract.

(c) The General Partner hereby covenants, agrees and promises to pay to the Partnership on the terms set forth below, the funds required to pay any Development Deficiency incurred by the Partnership during the Development Deficiency Guaranty Period (each, a "**Development Deficiency Payment**"). Such Development Deficiency Payments shall be made by payment to the Partnership of the amounts requested, within ten (10) Business Days of the General Partner's receipt of a written request from the Partnership. If the General Partner shall fail to pay any Development Deficiency Payment as requested, the Development Deficiency Payment will bear interest at the Interest Rate from the date the Development Deficiency Payment is requested until it is paid in full. All such interest shall be due and payable by the General Partner to the Partnership within ten (10) Business Days after notice is provided to the

General Partner. All Development Deficiency Payments shall be made in fulfillment of the General Partner's obligations to the Partnership hereunder, and the General Partner shall have no right of repayment from the Partnership (except as provided in Section 4.2(a), above) or any Partner. In no event shall any Development Deficiency Payment by the General Partner affect in any way whatsoever (i) the Percentage Interests of the Partners set forth herein, (ii) the distributions provided for in Article 5 hereof, (iii) the Capital Account of any Partner, or (iv) the allocations provided for in Article 6 hereof. Notwithstanding the foregoing, if the General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Development Deficiency Payments as a Capital Contribution of the General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Development Deficiency Payment will be treated as a Capital Contribution of the General Partner.

(d) The General Partner hereby agrees that its obligations under this Section 4.2 shall constitute a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the General Partner. The undertakings of the General Partner set forth in this Article 4 are made for the benefit of the 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.

(e) The General Partner shall deliver to the Special Limited Partner on reasonable request evidence sufficient to apprise the Special Limited Partner of the status of rehabilitation of the Project and enable the Special Limited Partner to determine whether rehabilitation is likely to be completed by the Outside Completion Date. In the event that the Special Limited Partner shall give notice to the General Partner that the Special Limited Partner has reasonably determined that Completion is unlikely to occur on the Outside Completion Date, then on the forty-fifth (45th) day following the date on which such notice is given, the General Partner shall be in default hereunder unless, within said 45 day period, the General Partner shall have taken all steps necessary to assure, to the Special Limited Partner's reasonable satisfaction, that Completion will in fact occur by the Outside Completion Date.

4.3 Operating Deficit Guaranty.

(a) In the event that an Operating Deficit arises prior to the Rent-Up Date, the General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership to fund Operating Deficits. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall not be subject to any limitations and/or caps as outlined in Section 4.3(b) below, and shall bear no interest and shall be repayable only out of (a) available Operating Cash Flow, or (b) Extraordinary Cash Proceeds.

(b) In the event that an Operating Deficit arises after the Rent-Up Date, the General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership, on the terms set forth below, to fund Operating Deficits as they arise, after utilization of the Operating Reserve if, and only to the extent, such utilization is permitted pursuant to Section 8.7 hereof.

Such Operating Deficit Loans shall be made by payment to the Partnership of the amounts requested, on a quarterly basis (or more often as is necessary to meet immediate operating deficit needs), within ten (10) Business Days of the General Partner's receipt of a written request from the Partnership or a Limited Partner. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall bear no interest and shall be repayable only from Operating Cash Flow or Extraordinary Cash Proceeds as provided in Article 5 of this Agreement. Notwithstanding anything to the contrary contained herein, the General Partner shall not be obligated to make any additional Operating Deficit Loans when the total of all outstanding unpaid Operating Deficit Loans is \$2,000,000 or following the expiration of the Operating Deficit Guaranty Period, provided that at any such time each of the following requirements shall have also been satisfied as of such date: (i) the Project has achieved the Minimum Debt Service Coverage Ratio for a period of not less than twelve consecutive months; (ii) the Operating Reserve is fully funded to the amount set forth in Section 8.7(b) and there have been no withdrawals from the Operating Reserve during the prior twelve-month period; (iii) all current and accrued amounts of the Asset Management Fee have been paid in full; (iv) no Event of Default has occurred and is continuing beyond any applicable notice and cure period; (v) no Federal Recapture Event has occurred prior to the applicable reduction date; and (vi) all reports required under Section 8.3 have been furnished to the Investor Limited Partner prior to the applicable reduction date. Operating Deficit Loans may be funded and subsequently repaid in whole or in part by the Partnership, and the General Partner's obligations to make additional Operating Deficit Loans shall continue during the Operating Deficit Guaranty Period. This is a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the General Partner. The Partners acknowledge that no such amounts loaned by the General Partner pursuant to this Section 4.3 shall be treated as contributions to the Partnership by the General Partner, that no amounts paid to the General Partner with respect to any Operating Deficit Loan shall be treated as a distribution to a partner, and the provision of such amounts shall not affect the Percentage Interests or the allocations provided for in Article 6 whatsoever.

4.4 Repurchase Option.

Concurrent with the Closing Date, the Guarantors and the Limited Partners shall enter into the Repurchase Option pursuant to which the Limited Partners shall have the option to require the Guarantors to purchase the Limited Partner's Partnership Interests under certain circumstances specified therein.

4.5 Collateral.

The General Partner and the Developer shall enter into the Assignment, Pledge and Security Agreement to secure the obligations of the Guarantors under the Guaranty.

4.6 Purchase Option Agreement.

Subject to Section 14.5(e) of this Agreement, concurrent with the Closing Date, the General Partner, the Limited Partners, and the Partnership shall enter into the Purchase Option Agreement regarding certain rights of the General Partner to purchase the Project and/or the Limited Partners' Interests in the Partnership.

ARTICLE 5
DISTRIBUTIONS

5.1 Operations.

Except as otherwise provided in Article 12 and subject to any limitations imposed under any Loan Document or by any Authority and Sections 5.3 and 5.4 hereof, the Partnership's Operating Cash Flow shall be disbursed in the following order of priority:

- (i) First to payment of any unpaid Excess Federal Adjuster and/or any Capital Adjuster Distribution due to the Investor Limited Partner;
- (ii) Second, to payment of the current and accrued annual Asset Management Fee;
- (iii) Third, to pay amounts due with respect to the Deferred Development Fee until such Deferred Development Fee is paid in full;
- (iv) Fourth, in the event the Operating Reserve is below the minimum amount set forth in Section 8.7(b), to the replenishment of the Operating Reserve to the minimum amount;
- (v) Fifth, to repayment of any Operating Deficit Loans;
- (vi) Sixth, 90% of the then remaining Operating Cash Flow to payment of the Incentive Management Fee, and then as a distribution;
- (vii) Seventh, 10% to the Investor Limited Partner, and 90% to the General Partner.

Notwithstanding the foregoing, however, amounts to be paid or distributed to the General Partner or Affiliates of the General Partner pursuant to clauses (vi) and (vii) shall be reduced in reverse order to the extent necessary to ensure that the distribution to the Investor Limited Partner pursuant to clause (vii) is not less than 10% of Operating Cash Flow remaining after distribution pursuant to clause (v).

Additionally, and notwithstanding anything to the contrary contained herein, in no event, shall the amount of all fees paid to the General Partner or any Affiliate thereof exceed, in the aggregate, twelve percent (12%) of Gross Cash Receipts in any Fiscal Year.

5.2 Extraordinary Transactions.

Except as provided in Article 12 and subject to any limitation imposed under any Loan (except for Operating Deficit Loans) or by any Authority, Extraordinary Cash Proceeds shall be applied as follows:

- (i) First, to the repayment of any unpaid Limited Partner Loans, Excess Federal Adjuster and/or any Capital Adjuster Distribution due to the Investor Limited Partner;
- (ii) Second, to payment of the current and any accrued and unpaid annual Asset Management Fee;
- (iii) Third, to payment of the Deferred Development Fee until such Deferred Development Fee has been paid in full;
- (iv) Fourth, to the extent the Investor Limited Partner has not filed a DRO Notice with respect to a negative balance in its Capital Account, to the Investor Limited Partner an amount equal to, on an After-Tax Basis, the Taxes (if any) owed by it as a result of the Extraordinary Transaction pursuant to clauses (i) and (ii) of Section 6.1(c);
- (v) Fifth, to repayment of any Operating Deficit Loans;
- (vi) Sixth, to pay the ILP Disposition Fee;
- (vii) Seventh, to pay the GP Disposition Fee; and
- (viii) Eighth, 10% to the Investor Limited Partner, and 90% to the General Partner.

5.3 Tax Credit Guaranty.

In the event that any amount is owed by the General Partner to the Partnership pursuant to Section 3.2 to fund the payment by the Partnership of an Excess Federal Adjuster and/or a Capital Adjuster Distribution to the Investor Limited Partner, then any amounts payable to the General Partner, Developer or their respective Affiliates pursuant to this Agreement shall be paid directly to the Investor Limited Partner by the Partnership as a return of capital (and shall be treated as a capital contribution by the General Partner to the Partnership).

5.4 Payment of Limited Partners' Taxes.

Notwithstanding anything to the contrary contained in Sections 5.1 and/or 5.2 above, in any Fiscal Year in which the Partnership generates Net Income and the Investor Limited Partner has not filed a DRO Notice with respect to a negative balance in its Capital Account, Operating Cash Flow in an amount equal to the Taxes payable by the Limited Partners on their shares of such Net Income (and, if applicable, on the distribution pursuant to this Section 5.4) shall first be distributed to the Limited Partners before any other distributions or payments are made from Operating Cash Flow in such Fiscal Year. If there is insufficient Operating Cash Flow in any Fiscal Year to pay the amount specified in this Section 5.4, the General Partner shall advance the amount of the deficiency to the Partnership as an Operating Deficit Loan.

5.5 Timing and Calculation.

The General Partner shall cause the Partnership to make distributions of Operating Cash Flow in accordance with Section 5.1 within thirty (30) days of receipt of the audited financial

statements described in Section 8.3(c), but in no event shall distributions of Operating Cash Flow be made later than one hundred eighty (180) days after the end of the Fiscal Year. The General Partner shall cause the Partnership to make distributions of Extraordinary Cash Proceeds in accordance with Section 5.2 within sixty (60) days after the occurrence of the Extraordinary Transaction.

5.6 Liquidation.

Distributions shall be in cash except that upon liquidation of the Partnership pursuant to Article 12, the Liquidating Partner may, in its discretion if it deems it appropriate, cause the Partnership to distribute assets other than cash on the basis of the fair market value of such distributed assets on the date of distribution.

ARTICLE 6 ALLOCATIONS

6.1 General Allocations.

After giving effect to the Special Allocations, Net Income, Net Losses and Credits in respect of each Fiscal Year of the Partnership (and, in each case, each item of income, gain, loss, deduction and tax preference, required to be taken into account separately under Section 702(a) of the Code by the Partners, which are included in the computation of such Net Income or Net Losses for such Fiscal Year) shall be allocated to the Partners on the last day of such Fiscal Year as follows:

(a) Net Income shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Losses have been allocated to the Partners pursuant to Section 6.1(b) for any prior period, Net Income shall be allocated to offset any Net Losses allocated pursuant to Section 6.1(b)(ii) in proportion to their respective shares of Net Losses being offset; and

(ii) Second, any remaining Net Income shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) Net Losses shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Income has been allocated pursuant to Section 6.1(a)(ii) for any prior period, Net Losses shall be allocated to offset any Net Income allocated pursuant to Section 6.1(a)(ii) in proportion to their respective shares of Net Income being offset; and

(ii) Second, any remaining Net Losses shall be allocated 99.99% to the Investor Limited Partner, and 0.01% to the General Partner.

(c) Notwithstanding the foregoing, Net Income from an Extraordinary Transaction shall be allocated as follows and in the following order of priority:

(i) First, in the event that any Partner has a negative Capital Account as of close of business on the day of the Extraordinary Transaction, after giving effect to all contributions, distributions and allocations as of such date, Net Income from such Extraordinary Transaction shall be allocated to the Partners with negative Capital Accounts at such time in proportion to the amounts by which they were negative until such Partners' Capital Account balances are increased to zero; and

(ii) Second, to the Investor Limited Partner until its Capital Account is, on an After-Tax Basis, equal to the Taxes owed by the Investor Limited Partner with respect to its share of Net Income allocated pursuant to clauses (i) and (ii) of this Section 6.1(c).

(iii) Third, any remaining Net Income from such Extraordinary Transaction shall be allocated to the Partners in amounts necessary to increase their respective Capital Account balances to the amounts distributable to them under Section 5.2.

(d) Notwithstanding Section 6.1(a), (b) and (c), Depreciation shall be allocated 99.99% to the Investor Limited Partner, and 0.01% to the General Partner. Federal Housing Tax Credits shall be allocated to the Partners in the same manner as Depreciation. Any recapture of Federal Housing Tax Credits shall be allocated among the Partners in the same manner as the Federal Housing Tax Credits were originally allocated.

6.2 Special Allocations.

It is the intention of the Partners that the allocation of tax attributes arising from the Partnership comply with the applicable provisions of Regulations Section 1.704-1(b) and 1.704-2. To conform further the allocation provisions of this Agreement to the Regulations, the Partners agree that the following Special Allocations shall apply; provided however, that in respect of any particular allocations the following rules shall supersede the rules otherwise applicable under this Article 6 only to the extent necessary to cause such allocation to be respected under the Regulations and the remaining portion of such allocation shall not be affected. In the event of any inconsistency between the Regulations and the provisions of the following Sections (a) through (h) of this Section 6.2, the Regulations shall govern.

(a) Loss Limitation Rule. If any allocation of Net Losses for any Fiscal Year otherwise provided in this Article 6 would (if made) cause or increase a deficit balance in the Capital Account of a Partner (determined for this purpose by taking into account such Partner's share of Operating Cash Flow in respect of such Fiscal Year and all other adjustments for such Fiscal Year otherwise required under this Agreement) that exceeds the amount such Partner is obligated to restore to the Partnership pursuant to Regulations Sections 1.704-1(b)(2)(ii)(c) or 1.704-1(b)(2)(ii)(d) or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) less the amount of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6), the amount of Net Losses otherwise allocable to such Partner shall be reduced by the minimum amount necessary to eliminate such deficit. Any amount of an allocation denied to a Partner under the first sentence of this Section 6.2(a) shall be reallocated to the Partners whose allocations of Net Losses for such year (determined under this Section 6.2) are not affected by this Section, such reallocation to be made pro rata in accordance with the ratio that each Partner's interest in profits and losses bears to the aggregate of the interests of all such Partners.

(b) Minimum Gain Chargeback. If during any Fiscal year there is a net decrease in the partnership minimum gain (as determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1)), then items of income and gain of the Partnership shall be allocated to each Partner, for such Fiscal Year (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to each Partner's share of the net decrease in partnership minimum gain during such Fiscal Year in accordance with Regulations Section 1.704-2(g)(2). This Section (b) is intended to comply with the minimum gain chargeback requirement in such Regulations Sections and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If a Limited Partner unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) (modified, as appropriate, by Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5)) which causes or increases a negative balance in such Partner's Capital Account (determined for this purpose with the adjustments required under Section 6.2(a)), such Partner will, to the extent required by Regulations Section 1.704-1(b)(2)(ii)(d), be specially allocated an amount of gross income and/or gain (consisting of a pro rata portion of each item of Partnership income and gain for such Fiscal Year) sufficient to eliminate such negative balance as quickly as possible; provided, however, that an allocation pursuant to this Section 6.2(c) shall be made if and only to the extent that such Partner would have a deficit in its Capital Account (determined as aforesaid) after all other allocations provided for in Article 6 have been tentatively made as if this Section 6.2(c) were not in this Agreement.

(d) Nonrecourse Deductions. The "nonrecourse deductions" for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(b)(1)) shall be specially allocated to the Partners in proportion to their Percentage Interests and otherwise as provided in Regulations Section 1.704-2(e).

(e) Partner Nonrecourse Deductions. The "partner nonrecourse deductions" for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(i)(2) and 1.704-2(b)(4)) shall be specially allocated to the Partner that bears the economic risk of loss for such deductions within the meaning of Regulations Sections 1.704-2(i)(1) and 1.752-2 and otherwise as provided in Regulations Section 1.704-2(i).

(f) Partner Minimum Gain Chargeback. If during any Fiscal Year of the Partnership there is a net decrease in minimum gain attributable to Partner nonrecourse debt, within the meaning of Regulations Section 1.704-2(b)(4) and 1.704-2(i)(3), each Partner with a share of such Partner minimum gain shall be allocated items of partnership income and gain for such Fiscal Year (and if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in the minimum gain attributable to partner nonrecourse debt determined in a manner consistent with the provisions of Regulations Section 1.704-2(i)(4). This Section 6.2(f) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of such Regulations Sections and shall be interpreted consistently therewith.

(g) Excess Nonrecourse Liabilities. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), each Partner's interest in Partnership profits shall be such Partner's Percentage Interest.

(h) Section 732(d), 734(b) and 743(b) Adjustments. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 732(d), 734(b) or 743(b) is required under Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in adjusting Capital Accounts, the amount of such adjustment to the Capital Accounts shall 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 shall be allocated to the Partners in a manner that achieves the adjustments to their respective Capital Accounts that are required to be made pursuant to such Section of the Regulations.

(i) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Partner must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 6.2(i) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 6 have been tentatively made as if this Section 6.2(i) and Section 6.2(c) hereof were not in this Agreement.

(j) Change in Regulations. If any of the specific Regulations upon which the special allocations provided for in this Section 6.2 are based are hereafter changed or if new Regulations in the opinion of the reputable tax counsel retained by the Partnership make it necessary to revise the foregoing special allocation rules or provide further special allocation rules in order to avoid a significant risk that a material portion of any allocation of Net Income, Net Losses, Credits or other tax attributes otherwise provided for in Section 6.1 above would be altered as a result of a challenge thereto by the Internal Revenue Service, the Partners agree to make such reasonable amendments to this Agreement as, in the opinion of such counsel, are necessary or desirable, taking into account the interests of the Partners as a whole and all other relevant factors, to avoid or reduce significantly such risk to the extent possible without materially affecting the amounts distributable to any Partner pursuant to this Agreement.

(k) Curative Allocations. The allocations set forth in Sections (a) through (i) of Section 6.2 (the “**Special Allocations**”) are intended to comply with the requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Special Allocations shall be offset with other Special Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 6.2(k). Therefore, notwithstanding any other provision of Article 6 (other than the Special Allocations), the General Partner shall make such offsetting allocations of Partnership income, gain, loss or deduction in whatever manner it reasonably determines is appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible, equal to the Capital Account balance which such Partner would have had if the Special Allocations were not part of this Agreement and all Partnership items were allocated pursuant to Article 6. In exercising its discretion under this Section 6.2(k), the General Partner shall take into account future Special Allocations under Sections (b) and (f) that, although not yet made, are likely to offset other Special Allocations previously made under Sections 6.1(d) and (e). Notwithstanding the foregoing provisions of this Section 6.2(k), the General Partner shall not, without the unanimous consent of all of the Partners, make any allocation under this Section 6.2(k) unless the General

Partner obtains advice of counsel that such allocation is unlikely to cause any allocation made or to be made under this Agreement to fail to be respected under Code Section 704 or the Regulations thereunder.

6.3 Special Rules.

The allocations set forth in this Agreement shall be subject to the following special rules:

(a) Tax Allocations.

(i) For each Fiscal Year, the Partnership's items of income, loss, deduction, gain and other items governed by Section 702(a) of the Code and comparable provisions of state and local law shall be allocated among the Partners proportionately to the allocation of the Net Income and Net Losses to such Partners for such year; provided, however, that Credits shall be allocated among the Partners as provided in Section 6.1(d), and any income or loss attributable to an Operating Deficit Loan, which shall not include any Depreciation, shall be allocated solely to the General Partner; and provided that appropriate adjustments shall be made in the event that an election under Section 754 of the Code is in effect; and provided further that any gain recognized from any disposition of an asset which is treated as ordinary income because it is attributable to the recapture of any depreciation or amortization shall be allocated among the Partners in the same ratio as the prior allocations of income or loss which included such depreciation or amortization (but, in each case, only to the extent such gain is otherwise allocable to a Partner).

(ii) Any taxable income of the Partnership resulting from debt forgiveness, debt exchange, debt modification, state credits, donations, contributions, grants or subsidies shall be allocated entirely to the General Partner. 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 Partnership, it is the intent of the Partners that all such gross income shall be allocated to the General Partner.

(iii) If the amount of Depreciation (as determined for federal income tax purposes) for any taxable year of the Partnership exceeds any increase in Partnership Minimum Gain in such taxable year, the losses allocable to the Investor Limited Partner for such taxable year pursuant to Section 6.1 and any other applicable provisions of this Article 6 shall first consist of Depreciation and then other losses or deductions that may properly be allocated to the Investor Limited Partner after the application of the provisions of Section 6.2(a) and any other applicable provisions of this Article 6.

(b) Changes in Interests. If the Percentage Interest of a Partner is adjusted during the period in question, the Partnership's books shall be closed as of the date immediately preceding the date of such adjustment. For the period ended on such date, the Net Income and Net Losses shall be allocated based on the Percentage Interest in effect prior to the date of such adjustment; provided, however, that any adjustments to the Value of a Partnership asset treated as gain or loss shall be allocated only to those persons who were Partners immediately before the event

giving rise to such adjustment. For the balance of such Fiscal Year the Net Income and Net Losses shall be allocated based on the Percentage Interest as so adjusted. For purposes of the foregoing, the expenses of the Partnership shall be allocated between the two periods based upon the date when accrued; provided that amortization, depreciation and other items attributable to specific items of property shall be deemed to accrue ratably over the period of time during which the Partnership holds the property to which such items relate.

(c) Imputed Interest. To the extent the Partnership has imputed interest income pursuant to any provision of the Code with respect to the obligation of a Partner to contribute capital:

(i) Such interest income shall be specially allocated to the Partner owing such obligation; and

(ii) The amount of such interest income shall be excluded from the capital contribution credited to such Partner's Capital Account in connection with payments of principal.

(d) Section 704(c). In accordance with Section 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Value. In the event the Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Accountants in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations pursuant to this Section 6.3(d) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses or other items or distributions pursuant to any provision of this Agreement.

(e) Fees. In the event that the deduction of all or a portion of any fee paid or incurred by the Partnership to a Partner or an Affiliate of a Partner is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Partnership, the Partnership shall then allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

(f) Minimum Allocation to General Partner. Notwithstanding anything to the contrary in this Article 6, subject to the Special Allocations, the General Partner shall at all times have a minimum 0.01% allocation of each material item of Partnership income, gain, loss, deduction and credit.

(g) [Intentionally Omitted].

(h) [Intentionally Omitted].

(i) Optional DRO. Except as hereinafter specifically provided, a Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to any deficit in its Capital Account, and such deficit shall not be considered to be a debt owed to the Partnership or to any other Person for any purpose whatsoever. Notwithstanding the foregoing, any Partner may elect, by written notice to the Partnership (a “**DRO Notice**”), on or before the earlier of (i) the due date for the filing of the Partnership’s tax return for any Fiscal Year or (ii) the last date on which such notice will create a valid Deficit Restoration Obligation for such Fiscal Year, to obligate itself to restore a negative balance in its Capital Account up to the amount specified in such DRO Notice. A Partner who delivers a DRO Notice is referred to herein a “**DRO Notice Partner**.” If, following the “liquidation” of the interest of a DRO Notice Partner in the Partnership (as defined in Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations) or the dissolution of the Partnership and the distribution or liquidation of its assets in accordance with the provisions of Section 12.3, such DRO Notice Partner has a negative balance in its Capital Account after adjusting such Capital Account to reflect the allocations and distributions required under Sections 5.1, 5.2 and 6.1 above (including, without limitation, the allocation to such DRO Notice Partner of his or its Share of Partnership Minimum Gain and/or Share of Partner Nonrecourse Debt Minimum Gain), the amount of such negative balance (which in the case of a DRO Notice Partner shall not exceed the maximum amount specified in the DRO Notice) shall be contributed by such DRO Notice Partner to the Partnership on the first to occur of (i) the date which is ten (10) days after the delivery to such DRO Notice Partner of a certificate of the Accountants, prepared in good faith and at the expense of the Partnership, setting forth the calculation of the negative Capital Account balance of the DRO Notice Partner, or (ii) the later of (A) the last day of the taxable year of the Partnership in which such liquidation occurs, or (B) ninety (90) days after the date of the liquidation. Any such amount shall be distributed to those Partners having positive Capital Account balances in proportion to, and to the extent necessary to eliminate such positive balances, or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations.

ARTICLE 7 MANAGEMENT

7.1 Management Vested in General Partner

Subject to the limitations expressly provided herein, the General Partner shall have full, exclusive and complete charge of the management and control of the affairs of the Partnership and shall have all of the rights, powers and authority consistent with accomplishing the Partnership’s purposes. Except as expressly set forth in this Section 7.1 and Section 7.18, no General Partner shall assign, delegate or permit the assignment of its management rights, whether voluntary or involuntary, without the prior written consent of the Limited Partners, provided, however, that the Limited Partners hereby consent to the terms of the Property Management Agreement. Without limiting the generality of the foregoing, but subject to the limitations specified in this Agreement, the General Partner shall have the power and duty to do all of the following on behalf of, and at the expense of, the Partnership:

(a) To acquire (by lease, purchase, or otherwise) the Land and the Improvements, to purchase, lease or otherwise acquire any other real or personal property necessary for the Project and to sell, convey, mortgage, assign and grant options with respect to such real or personal property;

(b) To construct the Project substantially in accordance with the Plans, the Construction Budget and the Construction Contract approved by the Lenders and to the extent necessary the applicable Authorities and to make changes to such Plans as the General Partner deems necessary and advisable, provided such changes do not conflict in any material respect with (i) the Project Documents and any provisions in this Agreement, (ii) all applicable statutes, rules and regulations with respect thereto, and (iii) the Housing Tax Credit Conditions;

(c) To execute, deliver and, where appropriate acknowledge, on the Partnership's behalf, all of the Project Documents;

(d) To delegate duties to and employ from time to time, at the Partnership's expense, any Persons necessary or advisable for the management and operation of the Partnership's business;

(e) To cause the Partnership to pay all Partnership Expenses and to fund the Reserves;

(f) To lease the Units in the Project and otherwise operate the Project to cause the Partnership to satisfy all requirements so that the Project initially qualifies and continues to comply with the Housing Tax Credit Conditions, and other restrictions set forth in the Project Documents such that it qualifies for, obtains and maintains the Housing Tax Credits in full throughout the Compliance Period;

(g) To satisfy all requirements necessary for occupancy of the Project, including the approval of any Authority required to permit occupancy of all the Units in the Project;

(h) To comply in all material respects with all provisions of the Project Documents;

(i) To exercise reasonable good faith in all activities relating to the conduct of business of the Partnership;

(j) To use reasonable best efforts to ensure that all assets and property (of any kind) owned by the Partnership will be free and clear of all security interests and encumbrances except for the Loans;

(k) To provide the Partnership with such information and sign such documents as are necessary for the Partnership and the Limited Partners to make timely, accurate and complete submissions of federal and state income tax returns;

(l) To execute on behalf of the Partnership all documents necessary to elect, pursuant to Section 732, 743 and 754 of the Code, to adjust the basis of the Partnership's Property within ten (10) Business Days after written notice from any Limited Partner to the Partnership;

(m) To cause the Land, the Project, and/or any other Partnership Property to be maintained and operated in accordance with all Hazardous Substances Laws and not allow the use of any Hazardous Substances on the Land, the Project, or any other Partnership Property except in strict compliance with Hazardous Substances Laws;

(n) To cause the Partnership to satisfy the Housing Tax Credit Conditions;

(o) To take any other reasonable action, including, without limitation, the negotiation, execution and delivery of any and all contracts, leases, assignments and other instruments, incidental to any of the foregoing actions set forth in this Agreement or to the purposes of the Partnership; and

(p) To cause the Partnership to maintain and satisfy all conditions attributable to the HAP Contract.

7.2 Limitations on Authority of General Partner

Notwithstanding any other provision of this Agreement, the General Partner shall not have any authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and any Authority or any Lender. The General Partner shall not enter into, nor approve, any transaction on behalf of the Partnership which is not consistent with the purposes of the Partnership or any of the following actions without the prior written consent of the Limited Partners:

- (a) Do any act in contravention of this Agreement;
- (b) Do any act in contravention of the Project Documents;
- (c) Possess Partnership Property or assign rights in Partnership Property, in either case, other than for the Partnership's purposes;
- (d) File for Bankruptcy on behalf of the Partnership;
- (e) Confess a judgment against the Partnership in excess of \$25,000;
- (f) Act in any manner which the General Partner knows or should have known after due inquiry will (i) cause the termination of the Partnership for federal income tax purposes, or (ii) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;
- (g) Except with respect to Unit leases, sell, convey, lease or otherwise encumber all or any portion of the Project or other Property;
- (h) Modify, prepay or refinance any of the Loans, provided that with respect to any proposed refinancing of the First Mortgage Loan following the expiration of the Compliance Period, the Investor Limited Partner's consent shall not be unreasonably withheld;
- (i) Except in accordance with Section 10.2(c), Withdraw, admit or substitute a General Partner to the Partnership;
- (j) Make a loan of Partnership funds to any Person, including the General Partner or any Affiliate;
- (k) Borrow funds or incur any indebtedness in the name of the Partnership (except for the Loans on the terms contemplated herein and in the Loan Documents and except for trade payables in the normal course of business)

- (l) Accept or receive any grant funds or any subsidies in the name of the Partnership;
- (m) Dissolve the Partnership;
- (n) Amend the Agreement;
- (o) Make income tax elections;
- (p) Except as specifically provided in the Project Documents (as in effect on the date hereof), become personally liable on, or to guarantee, the Loans or otherwise to assume the economic risk of loss for payment of the indebtedness secured thereby;
- (q) Pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as provided in this Agreement or the Project Documents;
- (r) Terminate the services of the Accountants, the Architect, the Developer, or the Contractor;
- (s) Engage substitute Accountants, Architect, Developer, Contractor or Property Manager or approve the delegation of all or a substantial portion of their respective duties to a third party;
- (t) Materially amend or terminate any Project Document, or grant any waiver or consent with respect to any material matter thereunder;
- (u) Following Completion, to construct any new or replacement capital improvements on the Project, (i) which would substantially alter the use or character of the Project, (ii) which would affect the availability of the Tax Benefits to the Investor Limited Partner or violate the Housing Tax Credit Conditions, or (iii) which would cost in excess of \$50,000, other than as contemplated in the current Annual Operating Budget;
- (v) Cause the Partnership to redeem or repurchase all or any portion of the Partnership Interest of a Partner;
- (w) Accept additional Capital Contributions other than those expressly provided for in this Agreement;
- (x) Admit additional Limited Partners to the Partnership except in accordance with the express terms hereof or grant or pledge any rights to any limited partner interest in the Partnership;
- (y) Cause the Partnership to convert the Project to cooperative or condominium ownership or have any employees;
- (z) Cause or permit the Partnership to be merged with any other entity;
- (aa) Modify or make expenditures in variance with the Construction Budget for the rehabilitation of the Project except in accordance with Section 7.3;

(bb) Modify or make expenditures at variance with the Annual Operating Budget for the operation of the Project which exceed five percent (5%) of the Annual Operating Budget in the aggregate or ten percent (10%) within any individual line item of the Annual Operating Budget;

(cc) Take or omit to take any action which would cause a recapture, reduction (other than as a result of a rehabilitation or other cost savings) or disallowance of any Credits anticipated to be recognized by the Partnership; or

(dd) Take any action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership.

7.3 Construction Period Review.

(a) Prior to Completion of the Project and with each monthly rehabilitation loan draw, the General Partner shall promptly provide the Limited Partners for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, with copies of the summary and cover sheet for each disbursement request at the time of such request.

(b) The Limited Partners shall have the right to inspect periodically the ongoing rehabilitation of the Project, upon two (2) Business Days' prior notice, during normal business hours. The Limited Partners and the Construction Inspector shall be given notice of and the right to attend any meetings held by the Lenders and the General Partner. The Limited Partners' failure to inspect the Project and/or notify the General Partner of any concern shall not be deemed a waiver or consent by the Limited Partners to any deviation from the Plans.

(c) The General Partner shall promptly notify the Limited Partners of any periodic engineering inspections, reports updating the engineer's evaluation of the structure, and any change orders and shall obtain the prior written approval of the Limited Partners to any material change order except under conditions where the General Partner reasonably determines that an immediate material change order is critical for health and safety reasons. For purposes of the foregoing a material change order shall mean a change order which is equal to or greater in amount than \$75,000 individually or, when aggregated with all other change orders to date, \$300,000.

7.4 Annual Operating Budget

Attached hereto as Exhibit D is the pro forma Annual Operating Budget for the Project. By no later than November 1 of each year, the General Partner shall prepare a proposed Annual Operating Budget for the next Fiscal Year and shall submit a copy to the Limited Partners. The Annual Operating Budget shall include a proposed plan for Capital Expenditures for the Fiscal Year. The General Partner shall use its best efforts to ensure that the Annual Operating Budget will provide for rents to be established at a level sufficient to achieve the Minimum Debt Service Coverage Ratio, plus sufficient net operating income to satisfy the annual payments projected in the schedule entitled Cash Flow From Operations found in the Initial Economic Projections attached to this Agreement, subject to the Housing Tax Credit Conditions. The Limited Partners shall have the right to review and approve the Annual Operating Budget if the estimated operating expenses exceed the operating expenses in the current Annual Operating Budget by

five percent (5%) or more. The Limited Partners shall have thirty (30) days to notify the General Partner that they do not approve part or all of the proposed Annual Operating Budget and the reasons therefore, and in such event the General Partner and the Limited Partners shall negotiate in good faith to reach agreement on a new Annual Operating Budget provided, that until such issues are resolved, the current year's Annual Operating Budget shall be used for the following year, increased by three percent (3%). Any Annual Operating Budget submitted by the Partnership for approval by any Lender shall have been approved by the Limited Partners pursuant to this Section.

7.5 Devotion of Skill and Time; Fiduciary Duty.

(a) The General Partner shall manage the affairs of the Partnership to the best of their ability and shall use their respective reasonable best efforts to carry out the purposes of the Partnership. The General Partner shall cause the Partnership to promptly take all action which may be necessary or appropriate for the proper development, rehabilitation, maintenance, and operation of the Project in accordance with the provisions of this Agreement, the Project Documents and any applicable laws and regulations. The General Partner shall provide office space, support staff and administrative services and shall cause its officers and employees diligently to pursue and apply their general skills to the Partnership's business and devote as much time as is reasonably necessary to manage and operate the Partnership and its business in the best interests of all of the Partners. The General Partner shall not engage in any other activities unrelated to the Partnership without the consent of the Limited Partners. Affiliates of any General Partner and of the officers and employees of such General Partner may engage in other business, including, without limitation, business identical or similar to the Partnership's business.

(b) The General Partner shall have a fiduciary responsibility to the Limited Partners for the safekeeping and use of all Partnership Property, whether or not in the General Partner's immediate possession or control, and shall not employ Partnership Property in any manner except for the Partnership's exclusive benefit. The General Partner shall not contract away its fiduciary duties under the common law of agency.

7.6 General Partner or Affiliates Dealing With the Partnership.

The General Partner or any of its Affiliates shall have the right to contract or otherwise deal with the Partnership for the sale of goods or services to the Partnership in addition to those set forth in this Article 7 if (a) the fees, terms and conditions of the transactions are at least as favorable to the Partnership as would be obtainable in an arm's-length transaction, (b) any necessary Authority consent is obtained, (c) the General Partner has furnished, in advance of their effective dates, copies of the contracts or other arrangements for furnishing goods or services to the Limited Partners, and (d) the Limited Partners have consented to such contract or arrangement, such consent not to be unreasonably withheld, conditioned or delayed. The Limited Partners shall be deemed to have consented to (i) the Development Agreement and the payment of the Development Fee, (ii) the Property Management Agreement and the payment of the fees set forth in the Property Management Agreement to the Property Manager, and (iii) the payment of the Incentive Management Fee to the General Partner. Any payment made to a General Partner or any Affiliate for the goods and services shall be fully disclosed to the Limited Partners in the reports required under Article 8. Any contract or arrangement described above

with a General Partner shall contain a provision that allows any Limited Partner to cancel the contract or arrangement with such General Partner if such General Partner is removed from the Partnership.

7.7 Indemnification of Partners.

(a) The General Partner shall indemnify and hold harmless each of the Investor Limited Partner, the Special Limited Partner, and all directors, officers, employees, agents, and Affiliates thereof (collectively, the “**Indemnified Limited Partners**”) from and against any and all actual out-of-pocket costs, expenses (including, without limitation, reasonable attorney’s fees), damages or liabilities incurred by such Indemnified Limited Partners, (i) which may arise out of or relate to any untrue statement of a material fact, or omission to state a material fact, by such General Partner or its agents set forth in any document delivered by such General Partner or its agents in connection with the Project, the investment by each Indemnified Limited Partner in the Partnership and the execution of the Partnership Agreement and (ii) in connection with the gross negligence, breach of fiduciary duty, willful misconduct, or malfeasance of such General Partner or any Affiliate of such General Partner.

(b) The General Partner shall indemnify, defend and hold harmless, to the maximum extent permitted by law, each of the Indemnified Limited Partners and the Partnership from and against any and all Environmental Costs or other actions, suits, proceedings, claims, liabilities, damages or expenses, of any kind, arising from and after the date of this Agreement directly or indirectly out of: the past, present or future treatment, storage, disposal, generation, use, transport, movement, presence, release, threatened release, spill, installation, sale, emission, injection, leaching, dumping, escaping or seeping of any Hazardous Substances, material containing or alleged to contain Hazardous Substances at or from any past, present, or future properties or assets of the Partnership; and/or the violation or alleged violation by the Partnership or any third party of any Hazardous Substances Laws with regard to the past, present or future ownership, operation, use, or occupying of any property or asset of the Partnership.

(c) The Partnership shall indemnify the Partners, and the employees, officers, and directors, partners, agents and Affiliates of such Persons, and shall hold them harmless on an After-Tax Basis, from any claim, demand, judgment, cost or expense arising out of or related to any act or omission by the Partnership, the Partners or the agents, employees and contractors, and Affiliates of the Partnership or the Partners, arising after the date hereof except (i) for any act or omission which is performed or omitted to be performed in bad faith or which constitutes gross negligence, willful misconduct or breach of fiduciary duty of a Partner (or the employees, officers, directors, partners, agents and Affiliates of such Person), or (ii) for which liability arises under the provisions of any other agreement by and between or among any Partners (or the agents, employees, contractors and Affiliates of the Partners) and the Partnership. Any indemnification hereunder shall be satisfied solely out of the assets of the Partnership. The Partners shall not be subject to personal liability by reason of this indemnification provision. Unless a Partner’s right to indemnification under this Section 7.7(c) is being contested by any other Partner, expenses incurred by the indemnified person in defending any claim, demand, action, suit or proceeding subject to this Section shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the indemnified person to repay

such amount unless and until it shall be determined that such person is entitled to be indemnified as authorized in this Section.

(d) Except as otherwise provided in this Agreement, neither the General Partner nor any Affiliate shall have any liability to the Partnership or any Partner as a result of any action or inaction by a General Partner which such General Partner reasonably believes in good faith to be within the scope of the authority conferred upon it under this Agreement and such action (or failure to act) does not constitute fraud, willful misconduct, a material breach of the General Partner's fiduciary duty or duty as TMP or Partnership Representative, gross negligence or a violation of state or federal securities laws.

7.8 The General Partner as Tax Matters Partner and Partnership Representative.

The General Partner shall be the tax matters partner ("**TMP**") as provided in Section 6231(a)(7)(A) of the Former Code, subject to the following terms and conditions:

(a) The TMP shall file all necessary federal, state and local partnership returns for the Partnership in a timely manner and furnish each Limited Partner with schedules consistent with the treatment of all items on those returns.

(b) The TMP shall keep each Limited Partner informed of all administrative and judicial proceedings for the adjustment of Partnership items at the Partnership level.

(c) If notice of an administrative proceeding under Section 6223 of the Code is received by any Limited Partner, such Limited Partner shall promptly notify the TMP of the treatment of any Partnership item on such Limited Partner's federal income tax return which is or may be inconsistent with the treatment of that item on the Partnership return.

(d) The TMP shall not enter into a settlement agreement, file any petition or request, intervene in any action or agree to extend the period of limitations for making assessments of any tax with respect to any Partnership item without the consent of the Limited Partners, which shall not be unreasonably withheld, conditioned or delayed.

(e) The Partners shall use all reasonable efforts to comply with the responsibilities outlined in this Agreement and in Sections 6222 through 6231 of the Code (including any Regulations thereunder). The General Partner will perform its duties as the TMP without compensation, but will, except as otherwise provided in this Agreement, be reimbursed for its reasonable expenditures incurred in its capacity as TMP. The provisions of this Section 7.8 shall survive the termination of the Partnership or the termination or transfer of any Partnership Interest and shall remain binding on the Partnership for a period of time necessary to resolve with the IRS, the Department of Treasury or any state taxing authority any and all matters regarding the federal or state income taxation of the Partnership for the applicable tax year(s).

(f) Following the beginning of the Post-TEFRA Period:

(i) (1) The General Partner shall constitute the Partnership Representative, (2) the General Partner shall take any and all action required under the Code or Regulations, as in effect from time to time, to designate itself the Partnership Representative and (3) the TMP (in its capacity as such) shall have no authority under this Agreement. The

designation of someone other than the General Partner as the Partnership Representative will require the consent of the Investor Limited Partner. To the extent permitted by the Code and Regulations, the General Partner, in its capacity as Partnership Representative shall be bound by the obligations and restrictions imposed on the TMP pursuant to this Section 7.8. Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the Bipartisan Budget Act), the General Partner will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 7.8, while conforming with the applicable provisions of the revised partnership audit procedures. Any action taken by the General Partner pursuant to this Section 7.8(f), including any election permitted under the Bipartisan Budget Act, shall be made only with the consent of the Investor Limited Partner. The General Partner and the Partners agree to work together in good faith to amend this Agreement if either party determines that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the TMP.

(ii) If the Partnership receives a notice of final partnership adjustment from the IRS, the Partnership Representative shall promptly forward a copy of such notice to the Investor Limited Partner and its legal counsel. The Partnership Representative shall, unless otherwise directed in writing by the Investor Limited Partner, timely file an election described in Section 6226(a) of the Code with respect to any notice of final partnership adjustment received by the Partnership with respect to any Post-TEFRA Period and take such other actions as are required so that Section 6225 of the Code shall not apply with respect to any imputed underpayment with respect to any adjustment of an item of the Partnership or any Partner's distributive share thereof. Each Partner shall take any and all actions necessary to effect such election, including but not limited to making any payments required under Section 6226(b) of the Code. In the event that an election described in Section 6226(a) of the Code is not made with respect to any notice of final partnership adjustment, each Partner shall be obligated to make a Capital Contribution in an amount equal to such Partner's share of the imputed underpayment (and any associated interest and penalties) owed by the Partnership under Section 6225 of the Code. For purposes of the preceding sentence, each Partner's share of such imputed underpayment (and associated interest and penalties) shall be determined by taking into account (1) such Partner's share of the Net Income, Net Losses and Credits to which such adjustment and imputed underpayment relate, as determined by the Accountants; (2) such Partner's obligation (if any) to indemnify, defend, or hold harmless the Partnership or any other Partner for such imputed underpayment (and any associated interest and penalties) under this Agreement; (3) such Partner's obligations and liabilities arising from or related to such Partner's representations, warranties and covenants in this Agreement; and (4) the obligations of the General Partner under Section 3.2. For example, if an imputed underpayment were to relate to an adjustment or disallowance of Federal Housing Tax Credits previously allocated to the Investor Limited Partner and such adjustment or disallowance would give rise to an obligation of the General Partner to make a Capital Contribution under Section 3.2, then such General Partner, rather than the Investor Limited Partner, would be required to make the Capital Contribution described in this Section 7.8(f).

(iii) If for any Post-TEFRA Period the Partnership meets the requirements of Section 6221(b) of the Code to elect not to have Section 6221(a) of the Code apply with respect to any adjustment to Partnership tax items, the Partnership Representative may, with the consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), make such election described in Section 6221(b) of the Code for each tax year, as applicable.

(iv) Notwithstanding anything to the contrary in this Section 7.8(f), none of the Partnership, the General Partner or the Partnership Representative shall, without the prior consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), take any action or make any election (or omit to take any action or make any election) under the federal tax audit rules pursuant to the Code and Regulations which would or could reasonably be expected to have a materially adverse effect on the Investor Limited Partner (or its direct or indirect owners). The rights of the Investor Limited Partner under this Section 7.8(f) shall survive any sale, exchange, liquidation, retirement or other disposition of either Partner's Partnership Interest.

7.9 Reports to Lenders and Authorities.

The General Partner shall furnish or cause to be furnished the information regarding the Project (a) to any Lender or Authority as reasonably requested from time to time, or (b) to any Authority or other Person as required to satisfy the Housing Tax Credit Conditions. In accordance with Section 8.3(a), the General Partner shall furnish the Limited Partners with copies of any such reports.

7.10 Insurance.

The General Partner shall obtain and maintain throughout the term of the Partnership, or shall cause to be obtained, maintained and evidenced by others, as applicable, insurance on the Project satisfactory to the Lenders and the Limited Partners and at least the types and amounts of insurance on the Project as set forth on Exhibit J hereto, no later than the Closing Date.

7.11 Housing Tax Credit Conditions.

The General Partner acknowledges the importance to the Limited Partners' Tax Benefits of achieving and maintaining the appropriate low-income set aside requirement and the General Partner agrees that they shall use commercially reasonable best efforts to avoid any failure to achieve and maintain such levels, including but not limited to the following:

(a) The General Partner shall cause to be kept all records (including the tenant qualification documents for each tenant throughout the Compliance Period), and cause to be made all elections and certifications required to satisfy the Housing Tax Credit Conditions and qualify for and maintain the full Housing Tax Credit Amount and any other available Tax Benefits.

(b) The General Partner shall elect for each building the appropriate minimum low-income set-aside requirement within twelve (12) months after placement in service of such

building or such other time period as may hereafter be required by the Code or Regulations for the Housing Tax Credits; provided, however, that in the event it becomes reasonably certain that such set-aside will not be met, the General Partner shall promptly so notify the Limited Partners in writing and shall proceed to elect such other minimum set-aside requirement as will best protect or enhance the Tax Benefits to the Limited Partners under the circumstances. Notwithstanding the foregoing, the General Partner acknowledges that all of the 373 of the Units in the Project are intended to be used for low-income housing.

(c) The General Partner shall certify compliance with the elected set-aside requirement and report the dollar amount of qualified basis, maximum applicable percentage and qualified basis, date of placement in service, and any other information required for the Housing Tax Credits in a timely manner but in no event later than December 31st of the first year in which any building in the Project is placed in service or such other time periods as may hereafter be required by the Housing Tax Credit Conditions.

(d) In the event at any time it becomes apparent that the Tax Benefits projected in the Initial Economic Projections are not likely to be substantially realized, the General Partner shall promptly notify the Limited Partners of the circumstances.

(e) The General Partner shall cause the Partnership to meet the Fifty Percent Test within the time period necessary to permit the Partnership to satisfy the requirements of Section 42(h)(4)(B) of the Code.

7.12 Project Management.

(a) The General Partner, on behalf of the Partnership, shall enter into the Property Management Agreement with the Property Manager. The General Partner shall cause the Partnership to diligently enforce all of the obligations of the Property Manager thereunder, and to perform all of the Partnership's obligations as owner thereunder. The Property Manager shall be entitled to receive the Property Management Fee pursuant to the terms of the Property Management Agreement. Notwithstanding the foregoing, if at any point in time the Property Manager is an Affiliate of a General Partner, the payment of Property Management Fees shall be subordinated and subject to the Project maintaining a minimum 1.0 to 1.0 Debt Service Coverage Ratio after all Partnership Expenses (including the Property Management Fee) and replacement reserve payments. The Property Management Fee paid shall be reduced by an amount sufficient to maintain a 1.0 to 1.0 Debt Service Coverage Ratio at all times. Property Management Fees that are subordinated and accrued but not paid shall be paid out of Operating Cash Flow

(b) The General Partner may not remove a Property Manager, or select a new Property Manager without the consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed (and the Agency and any Lender, if applicable); provided that as long as the Property Management Agreement is in the form attached hereto as Exhibit K, the Investor Limited Partner's approval is not required for the renewal of the Property Management Agreement with the Property Manager. Furthermore, at the reasonable request of the Special Limited Partner and after providing written notice to the General Partner of the Special Limited Partner's reasons for the request, the General Partner shall terminate the Property Management Agreement within thirty (30) days of receipt of the Special Limited Partner's notice. Furthermore, if at any time the General Partner is removed or otherwise ceases

to be general partner for any reason, then the Investor Limited Partner can require the removal of the Property Manager.

(c) Any Property Management Agreement shall contain specific provisions requiring the Property Manager to satisfy all Housing Tax Credit Conditions necessary for the Partnership to be entitled to claim Housing Tax Credits in the full Housing Tax Credit Amount.

7.13 Casualty or Condemnation.

(a) In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any portion thereof, the General Partner shall promptly give the Limited Partners written notice thereof. To the extent casualty insurance and condemnation award proceeds are available for rebuilding, net of expenses reasonably incurred in obtaining such proceeds and subject to the rights of the Lenders and any other sources of financing available to the General Partner and the Partnership, the General Partner shall use reasonable efforts to rebuild the Project in such manner as will as fully as possible implement the Initial Economic Projections and achieve the financial forecast of Tax Benefits contained therein. Any casualty insurance or condemnation award proceeds that are not fully expended in such rebuilding shall constitute proceeds of an Extraordinary Transaction. In connection with any such rebuilding, the General Partner shall seek legal, tax, and accounting counsel and take all necessary or advisable steps to preserve as fully as possible the Initial Economic Projections and Housing Tax Credit Amount.

(b) Notwithstanding Section 7.13(a) above, in the event the nature of the casualty or condemnation, or any lack of sufficient casualty insurance or condemnation award proceeds and other financing sources for rebuilding, or the effect of tax laws then applicable makes it impossible or unlikely that rebuilding of the Project or portion thereof can be accomplished or that the projected Tax Benefits in combination with any other projected economic benefits to the Investor Limited Partner would not be substantially as much from rebuilding the Project or such portion thereof as they would be without rebuilding, then, subject to the rights of the Limited Partners described in the following sentence, the General Partner shall, at its election, (i) obtain the consent of the Investor Limited Partner to an alternative proposal, which consent shall not be unreasonably withheld, conditioned or delayed, or (ii) refrain from rebuilding and proceed to utilize as proceeds of an Extraordinary Transaction any casualty insurance or condemnation award proceeds allocable to the Project or such portion thereof. If as a result of a casualty or condemnation it is impossible or unlikely that rebuilding of the Project will occur, then the Limited Partners may require that the General Partner purchase the Partnership Interests of the Investor Limited Partner for an amount which, after taking into account the Housing Tax Credit Amount and other Tax Benefits allocated to the Limited Partners to date and the distributions to the Limited Partners, will cause the Investor Limited Partner to realize, on an After-Tax Basis, the full amount of the Tax Benefits.

(c) Except under circumstances in which portions of the Project are unaffected by the casualty or condemnation or are rebuilt as contemplated hereunder, the General Partner shall, unless the Limited Partners consent to any alternative proposal or require the General Partner to purchase the Partnership Interests of the Investor Limited Partner, proceed to terminate and liquidate the Partnership, selling Partnership assets, repaying indebtedness, and distributing net proceeds of Extraordinary Transactions to the Partners as provided in Article 12 hereof. In the

event of rebuilding, the General Partner shall have no obligation to enter into rehabilitation or rehabilitation contracts at a price exceeding the amount of casualty insurance or condemnation award proceeds available for rebuilding. In such event, all fees to the General Partner and Affiliates shall remain as set forth in the Project Documents and the General Partner shall not pay additional amounts to third parties to perform their obligations hereunder, unless otherwise agreed in writing by the General Partner and by the Limited Partners, provided that the consent of the Limited Partners shall not be required if and to the extent there are sufficient casualty insurance or condemnation award proceeds to pay additional and reasonable fees to the General Partner and Affiliates or third parties without adversely affecting the rebuilding of the Project.

(d) Nothing contained herein shall be construed to affect the General Partner's liability for any failure to provide insurance to the full extent required under Section 7.10 hereof.

7.14 Development Agreement and Development Fee.

The Developer shall be paid the Development Fee in accordance with the terms of the Development Agreement.

7.15 Asset Management Fee; Asset Manager

The Partners hereby appoint AEGON as the initial Asset Manager. The Partnership shall pay annually to the Asset Manager the Asset Management Fee from Operating Cash Flow in the priority set forth in Section 5.1 and/or from Extraordinary Cash Proceeds in the priority set forth in Section 5.2. The Investor Limited Partner may, from time to time, appoint a third party to act as the Asset Manager for its investment in the Project in lieu of AEGON. The General Partner shall use reasonable efforts to cooperate with any Asset Manager appointed by the Investor Limited Partner. Following prior notice thereof the General Partner, the Asset Manager shall have the right to conduct on-site visits to inspect the Project during normal business hours. On-site visits shall include the right to inspect all residential, community and commercial areas of the Project, including, but not limited to management and leasing offices and vacant units (if no vacant units are available, then at least one occupied unit of each unit type in the Project).

7.16 Signage and Groundbreaking Events.

The General Partner shall not have the right to use the name or any trademarks of AEGON or any Limited Partner in any publicity regarding the Project, including any press releases, signs, etc., without the prior written approval of AEGON and/or the applicable Limited Partner. AEGON and the Limited Partners shall have the right, in their sole discretion, to participate in any publicity or signs placed on the Project by the General Partner or the Partnership or to place a sign or signs on the Project announcing their participation in the Project. During rehabilitation of the Project, if reasonably requested by the Special Limited Partner, the General Partner shall cause the Partnership to provide, erect and maintain, at the expense of the Special Limited Partner, at the site of the Project, a sign approved by the Special Limited Partner, which sign shall include language and a logo provided by the Special Limited Partner stating that the Limited Partner, any affiliate thereof, and/or, if reasonably directed to by the Special Limited Partner, any investor in the Limited Partner, that has assisted in the financing of the Project. The General Partner shall invite the Limited Partners to attend any groundbreaking, ribbon-cutting or other public relations ceremony or special event with respect to the Project.

The General Partner shall provide reasonable advance notice to the Limited Partners of any such event so the representatives of the Limited Partner and their affiliates may attend.

7.17 Related Party Indebtedness.

If the Investor Limited Partner should reasonably determine at any time during the Compliance Period that (i) its share of minimum gain is insufficient to result in losses being allocated to the Investor Limited Partner such that it will be allocated less than 99.99% of the partnership's Tax Credits, and (ii) such insufficiency is due to any fee (including without limitation any Deferred Development Fee) or loan owed to a General Partner or an affiliate of such General Partner that is considered a "related person" (as such term is defined in Treasury Regulation 1.752-4(b), taking into account the rule provided for "tiered partnerships" in Treasury Regulation 1.752-4(a) (the "Tiered Partnership Rule" and collectively, the "Disaffiliation Regulations")) not being includible in the computation of the Investor Limited Partner's share of minimum gain, then the General Partner shall promptly take appropriate action (a "Disaffiliation") to either (a) cause the General Partner to be treated as a corporation for federal income tax purposes and to have a not less than 21% unrelated minority stockholder, so as to make the General Partner "unrelated" to the person who is owed such fee or loan in accordance with the Disaffiliation Regulations or (b) cause the General Partner to be treated as a corporation for federal income tax purposes and transfer the ownership or right to payment of such fee or loan to a person who is not more than 20% related to the General Partner. If the General Partner is the Person owed such loan or fee, then the General Partner shall, in addition to the requirements set forth in the foregoing clauses (a) or (b), transfer the loan or fee to another Person as part of the Disaffiliation.

Interpretation and application of this section and each of the Disaffiliation Regulations shall be in the sole discretion of the Investor Limited Partner and the General Partner agrees to provide such documentation as the Investor Limited Partner may require to determine that a Disaffiliation has occurred in accordance with the Disaffiliation Regulations.

The Partners hereby agree that Disaffiliation shall be the process by which to address the inability to allocate at least 99.99% of the Tax Credits to the Investor Limited Partner because of a loan or fee as described in this Section. Nothing in this Section shall be construed to require the Investor Limited Partner to undertake a Deficit Restoration Obligation, to require the Partnership to undertake any special allocation of depreciation deductions to the Investor Limited Partner, or for any Partner or the Partnership to take other steps that might also result in an increase in the Tax Credits allocable to the Investor Limited Partner.

ARTICLE 8 BOOKS AND RECORDS; REPORTS; RESERVES

8.1 Maintenance.

(a) The General Partner shall cause to be kept, at the principal place of business of the Partnership, full and proper ledgers and other books of account of all receipts and disbursements and other financial activities of the Partnership, including the following documents of the Partnership:

(i) A current list of the full name and last known business or residence address of each Partner set forth in alphabetical order together with the contribution and share in profit and losses of each Partner;

(ii) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(iii) Copies of the Partnership's federal, state and local income tax or information returns and reports, if any, for the six (6) most recent Fiscal Years of the Partnership;

(iv) Copies of the original Partnership Agreement and all amendments thereto;

(v) Financial statements, including a balance sheet and statements of income (or loss), of the Partnership for each of the six (6) most recent Fiscal Years, including quarterly and monthly internal financial statements of the Partnership; and

(vi) The Partnership's books and records for at least the current and past three (3) Fiscal Years.

(b) Any Partner of the Partnership shall have the additional right, upon reasonable notice and at its own expense, directly or through a representative, including the Asset Manager, to inspect and copy during normal business hours any of the records of the Partnership required to be maintained by Section 8.1(a).

(c) The Partnership's books of account shall be maintained, and Capital Accounts and profits, losses and other items described in Article 6 shall be determined, in accordance with federal income tax accounting principles utilizing the accrual method of accounting, subject to confirmation by the Accountants. Annual, audited Partnership financial statements shall be prepared and maintained at the Partnership's expense in accordance with generally accepted accounting principles for the type of business of the Partnership.

8.2 Tax Returns and Tax Elections.

(a) The General Partner shall instruct the Accountants for the Partnership to prepare and file all required federal, state and local income tax returns for the Partnership. The General Partner shall cause to be sent to the Partners of the Partnership as part of the Annual Report specified in Section 8.3(c) all necessary tax reporting information regarding the Partnership required by the Partners for preparation of their respective federal, state and local income or franchise tax or information returns and a copy of the Partnership's federal, state and local income tax or information returns for the Fiscal Year.

(b) The General Partner has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits, that the Special Limited Partner reasonably determines are in the Limited Partner's best interest. In particular, the General Partner shall not cause the Partnership to elect out of "bonus depreciation" available pursuant to Section 168(k) of the Code without the consent of the Investor Limited Partner. The Partners shall agree on all applicable elections, determinations and other decisions under the

Code and under applicable state and local tax law, including the tax treatment of the rehabilitation period interest and the other positions to be taken on the Partnership's federal, state and local information returns, provided that the most rapid permissible method of depreciation of the Partnership's assets shall be used, including, without limitation, bonus depreciation. Notwithstanding the foregoing, upon the request of the Limited Partners, the General Partner shall timely file an election under Section 754 of the Code and the Regulations on behalf of the Partnership to adjust the basis of the Partnership's assets under Sections 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law.

8.3 Reports.

The General Partner shall cause to be prepared and delivered to the Limited Partners:

(a) Copies of Certain Documents. The General Partner shall deliver or cause to be delivered to the Limited Partners the following:

(i) concurrent with their filing, copies of any reports filed with any Authority regarding the Project pursuant to Section 7.9, including but not limited to a copy of the annual owner's certification submitted to the Credit Agency;

(ii) within ten (10) days of receipt, copies of any material reports or material written notices received by the Partnership from (a) any Lender or (b) the Credit Agency or any other Authority regarding the Project's compliance with any income and rent restrictions, including but not limited to any state audit performed regarding the Project's compliance with the Housing Tax Credit Conditions, Form 8823's, and any notice regarding noncompliance affecting the Tax Benefits;

(iii) prior to the date thereof, notice of termination of the services of the Property Manager; and

(iv) promptly following the acquisition thereof, detailed information regarding any items of real or personal property, tangible or intangible, the value of which property exceeds \$10,000 (other than as may be contemplated in the current Annual Operating Budget).

(b) Quarterly Reports. Within thirty (30) days after the end of each quarter of each Fiscal Year, including the fourth quarter, the General Partner shall prepare and deliver or cause to be delivered to the Limited Partners a quarterly report setting forth and containing the following:

(i) unaudited financial statements for the previous quarter including balance sheet, income statement and statement of cash sources and applications;

(ii) an unaudited comparison of the actual results of the operations of the Partnership during the applicable quarter with the projections for such quarter as set forth in the Annual Operating Budget, including physical and Housing Tax Credit qualified occupancy levels, any deposits to, or withdrawals from, any Reserves and a written explanation of any variance greater than ten percent (10%) to any individual line item in the Annual Operating Budget;

(iii) a statement indicating if there are any Development Deficiencies and/or Operating Deficits or anticipated Development Deficiencies and/or Operating Deficits, and if so, the manner in which it is anticipated such Development Deficiencies and/or Operating Deficits will be funded;

(iv) a management report on the Project containing such information as is reasonably necessary to advise the Limited Partners about their investment in the Partnership and the development and/or operation of the Project;

(v) a report of aged payables and receivables;

(vi) evidence of payment of property taxes and insurance as required hereunder for the applicable period; and

(vii) any other information regarding the Partnership and its operations during the prior fiscal quarter reasonably deemed by the General Partner to be material to the Limited Partners, for example, any lawsuits involving the Partnership or its Property.

(c) Annual Reports. Within forty-five (45) days after the end of each Fiscal Year (beginning with the Fiscal Year containing the Closing Date) for each item, the General Partner shall prepare and deliver or cause to be delivered to the Limited Partners an annual report setting forth the following:

(i) draft audited financial statements of the Partnership prepared in accordance with generally accepted accounting principles as applied in the United States for the previous Fiscal Year, including balance sheet, income statement and statement of cash sources and applications, and a record of the Capital Replacement Reserve and Operating Reserve identifying all payments made to and from such Reserves; a detailed operating statement, which shall include in addition to what is customary, a vacancy number and the line items making up the operating expense categories; an income and cash flow statement; an analysis of the Capital Accounts of each Partner; an analysis of the disbursement of Operating Cash Flow, as set forth in Article 5 of this Agreement; a loss schedule, which need not be audited, for the remainder of the Compliance Period; an adjusted trial balance; and detailed notes which shall include an analysis of the Reserves, identifying all payments made to and from such Reserves and a profile of all debt (including payment priority and amounts paid and accrued) and a comparison of actual results from budgeted results; final audited financial statements in accordance with the terms of this Section 8.3(c)(i) shall be provided to the Limited Partners within sixty (60) days after the end of each Fiscal Year;

(ii) adjusted trial balance prepared by the Accountants;

(iii) an annual projection of Net Income and Net Losses through the end of the Compliance Period;

(iv) a calculation of all distributions during the previous Fiscal Year under the terms of this Agreement;

(v) the federal and state tax returns for the Partnership for the prior Fiscal Year;

(vi) the K-1's for the Limited Partners, which shall be delivered electronically in accordance with Exhibit M;

(vii) a completed Housing Tax Credit monitoring form for the prior Fiscal Year, using the form submitted to the Credit Agency, which shall include a report of the household income restrictions and permitted rental rates for such Fiscal Year and the rent roll for each month during such Fiscal Year of the Project;

(viii) for so long as the Guaranty is outstanding, the annual audited financial statements of Fairstead Affordable LLC;

(ix) proof of payment of property taxes, if any, and insurance as required hereunder for the Fiscal Year;

(x) the Compliance Audit required pursuant to Section 8.3(d);

(xi) a copy of the most recent HUD REAC Score;

(xii) Reconciliation of the Partnership's audited financial statement to federal income tax accounting principles.

(d) Tax Credit Compliance Reports. The Asset Manager shall (i) within six (6) months after the Rent-Up Date, or by the Final Payment Date if earlier, cause to be prepared a full Housing Tax Credit compliance audit (the "**Compliance Audit**") for all Low-Income Units at the expense of the Partnership conducted by the Compliance Auditor approved by and delivered to the Limited Partners in an electronic format, and (ii) for each Fiscal Year thereafter, cause to be prepared a limited tax credit Compliance Audit of a random twenty percent (20%) of Units in the Project, provided that if such Compliance Audit indicates a material compliance problem, then at the request of any Limited Partner after the first Fiscal Year, a full Housing Tax Credit Compliance Audit shall be prepared at the expense of the Partnership. In the event that any Compliance Audit indicates any compliance problems, the General Partner shall take all action as is necessary to resolve such compliance problems.

(e) Failure to File Timely Reports. If the General Partner does not cause the Partnership to fulfill its obligations pursuant to this Section 8.3 within five (5) Business Days after a Limited Partner has provided notice of non-compliance to the General Partner, the Limited Partners may assess the General Partner damages in the sum of \$300 per day. The General Partner shall pay AEGON such damages within thirty (30) days of notice from the Limited Partners, and failure to do so shall be deemed a material breach of this Agreement. The General Partner shall not be entitled to any distributions or fees payable under any Project Document until the reports are filed and such damages are paid. The Limited Partners may elect to waive any damages due hereunder in their sole discretion.

(f) Electronic Reporting. The General Partner shall submit the quarterly reports referenced in Section 8.3(b) electronically to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager). Furthermore, the General Partner shall submit

such electronic reports to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager) on a monthly basis if reasonably requested by the Asset Manager, which such electronic reports shall contain, but not be limited to, a trial balance sheet (in Excel), an aged accounts payable report (in Excel), and a current rent roll (in Excel or PDF). The General Partner shall submit the Schedule K-1's referenced in Section 8.3(c) electronically to the Asset Manager at lihtcreporting@aegonusa.com, and the Limited Partners' consent to electronic transmissions of Schedules K-1 is attached hereto as Exhibit M.

8.4 Fiscal Year.

The Fiscal Year for the Partnership shall be the same as the Investor Limited Partner's fiscal year, which is currently a calendar year.

8.5 Bank Accounts.

All funds of the Partnership shall be invested in the name of the Partnership, under such terms and conditions as the General Partner shall approve, provided that such investments shall be limited to (a) financial institutions whose deposits are insured by an agency of the U.S. Government (such as the Federal Deposit Insurance Corporation) and where the instrument's or account's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (c) such other investments approved by the Limited Partners and which are acceptable to the General Partner. Furthermore, all funds, including but not limited to, operating funds, tenant deposits, capital replacement reserves, operating reserves, and any other reserves and/or funds shall be held in separate bank accounts and shall not be co-mingled.

8.6 The Accountants.

The General Partner shall employ an accounting firm acceptable to the Limited Partners as the Accountants for the Partnership, and may thereafter replace the same with another accounting firm only upon the consent of the Limited Partners, which consent shall not be unreasonably withheld, conditioned or delayed. The Partnership's Accountants initially shall be Dauby, O'Connor & Zaleski, LLC of Carmel, Indiana. The fees and expenses of the Accountants shall be a Partnership expense; notwithstanding the foregoing, to the extent such costs are attributable to special computations required by reason of any transactions engaged in, or special tax elections (except for any election under Section 754 of the Code pursuant to Section 8.2) made by or for the benefit of a Partner or any person having an interest in a Partner, such costs shall be borne by that Partner.

8.7 Reserves.

Subject to the Credit Agency's requirement to fund the Reserves earlier than as provided in this Agreement, the General Partner shall cause the Partnership to establish and maintain such Reserves as the General Partner reasonably determines is necessary for the Partnership, including anticipated capital needs, and contingency needs of the Partnership, and requirements of the Lenders, and shall establish and maintain at a minimum the following Reserves:

(a) Capital Replacement Reserve. The Partnership shall establish and maintain a capital replacement reserve, which may be held by the First Mortgage Lender, the proceeds of which reserve shall be used for Capital Expenditures, subject to Section 7.2 of this Agreement (the “**Capital Replacement Reserve**”). The Partnership shall commence funding the Capital Replacement Reserve no later than the month in which the first Unit is occupied, and shall initially be funded from monthly operating income in an amount equal to at least \$325 per Unit per year, and prior to Initial Rent-Up the Capital Replacement Reserve shall be funded on a pro rata basis as each Unit in the Project is leased. Beginning on January 1st of the Fiscal Year following the initial funding of the Capital Replacement Reserve, and on January 1st of each Fiscal Year thereafter, the Partnership shall fund the Capital Replacement Reserve with no less than an additional \$325 per Unit each Fiscal Year increased annually by a factor of not less than 3%. The Capital Replacement Reserve shall be available for the General Partner to make necessary repairs and improvements upon notice to the Limited Partners and prior written consent of the Limited Partners (which consent shall not be unreasonably withheld, conditioned or delayed) for any expenditures in excess of \$20,000, or any expenditures that would reduce the balance of the Capital Replacement Reserve below \$121,225.

(b) Operating Reserve. The General Partner shall establish an operating reserve in the minimum amount of \$947,361 (the “**Operating Reserve**”), which reserve amount shall be funded not later than the Investor Limited Partner’s Final Federal Payment. The Operating Reserve shall be used to fund Operating Deficits at any time after the Rent-Up Date (*provided, however,* that all amounts withdrawn prior to the end of the first full year of Property operations must be restored prior to the end of the first full year of Property operations from Operating Cash Flow or from proceeds of an General Partner advance). Any withdrawals from the Operating Reserve to fund Operating Deficits must be consented to by the Investor Limited Partner, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the General Partner may draw amounts from the Operating Reserve to pay operating expenses and debt service without the prior consent of the Investor Limited Partner, but with prior notice to the Investor Limited Partner, solely in the event HAP Contract payments are delayed by HUD through no fault of the Partnership or the General Partner. Upon receipt of the delayed HAP Contract payments, such payments shall be deposited into the Operating Reserve to replenish funds drawn pursuant to the preceding sentence. In the event a HAP Contract payment is delayed, an Operating Deficit occurs, and there are not sufficient funds in the Operating Reserve to cover such Operating Deficit (or the Operating Reserve has not yet been established), the General Partner may contribute amounts required to cover such Operating Deficit up to the amount of the delayed HAP Contract payment; the General Partner shall then be reimbursed for the amount advanced upon receipt of the delayed HAP Contract payment.

Reserves shall be maintained in such accounts, as may be required by the Lenders and shall comply with all Lender requirements in addition to the requirements set forth herein. Notwithstanding anything to the contrary contained herein, Reserves may not be used to pay subordinated Property Management Fees as required by Section 7.12(a).

ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS OF GENERAL PARTNER

As of the Closing Date, the General Partner hereby represents, warrants and covenants to and with the Limited Partners that as of the date of this Agreement, each Payment Date and

throughout the term of this Agreement through the date on which the last Limited Partner withdraws from the Partnership:

9.1 General Partner Organization.

The General Partner is a duly organized limited liability company validly existing under the laws of the State of Delaware and qualified to conduct business in the State as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement.

9.2 Partnership Organization.

The Partnership is a limited partnership duly constituted and existing under the Act, qualified to conduct business in the State and has full power and authority to perform its obligations under the Project Documents.

9.3 Title to Property.

As of the Closing Date, the Partnership shall have a fee interest in the Land and good and clear record and marketable title to the other Partnership Property free and clear of any liens, charges or encumbrances other than the Permitted Encumbrances. All real estate taxes, assessments, water and sewer charges and other municipal charges with respect to the Land to the extent due and owing, have been paid in full.

9.4 Obligations.

The General Partner certifies that the Partnership has no indebtedness, obligations, commitments or liabilities accrued, absolute, contingent or otherwise which are not reflected in the Project Documents.

9.5 Material Contracts.

There are no material contracts or agreements, written or oral, affecting the ownership or operation of the Project except the Project Documents. Neither the General Partner nor the Partnership nor, to the best knowledge of the General Partner, any other party to any of the Project Documents, is (or, with notice or the passage of time, or both, would be) in default under the Project Documents.

9.6 Due Authorization of General Partner.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the General Partner have been or will be duly authorized by all requisite corporate actions and proceedings, and each Project Document to which each General Partner is a party constitutes the legal, valid and binding obligation of the General Partner, enforceable against them in accordance with its terms and the consummation of any such transactions with or on behalf of the General Partner will not constitute a breach or violation of, or a default under, the organizational documents of the General Partner.

9.7 Due Authorization of Partnership.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Project by the Partnership has been or will be duly authorized by all requisite partnership action and proceedings and constitutes the legal, valid and binding obligation of the Partnership enforceable against it in accordance with their respective terms.

9.8 No Default.

To the best knowledge of the General Partner, neither the General Partner nor the Partnership is in material default with respect to any law, administrative rule, regulation, judgment, decision, order, writ, injunction, decree or demand of any court or any Authority, and the consummation of the transactions contemplated herein will not materially conflict with, or constitute a material breach of or material default under, any of the foregoing or any agreement or instrument applicable to the Partnership, the General Partner, or the Project.

9.9 No Litigation.

There is no litigation or claim pending or, to the best knowledge of the General Partner, threatened against or involving the Land, the Improvements, the Project, the General Partner, the Guarantors or the Partnership or assets of the General Partner or the Partnership (to the extent that any such litigation would materially adversely affect the Property, the Partnership or the General Partner's interest in the Partnership, or would have a material adverse effect on the General Partner's net worth), and, to the best knowledge of the General Partner, there are no facts or circumstances which could give rise to any such claim or litigation. Neither the Partnership nor the General Partner have any material liabilities that would be disclosed in a balance sheet that are not disclosed. The Partnership has received no notice of taking, condemnation, betterment or assessment, actual or proposed, with respect to the Land, the Improvements or the Project.

9.10 Insurance.

The Partnership has obtained the insurance required by Section 7.10 of this Agreement.

9.11 No Prior Syndication.

None of the Partnership, the General Partner nor the Project is subject to any outstanding agreement with any third party pursuant to which any such party has or may acquire any interest in the Project (other than the Loan Documents and tenant leases).

9.12 Compliance with Laws.

To the best knowledge of the General Partner and except as disclosed in applicable environmental reports, the Project complies in all material respects with all applicable laws, rules, restrictions, orders and regulations of all Authorities. Neither the General Partner nor, to the best knowledge of the General Partner and except as disclosed in applicable environmental reports any third party, has used, generated, manufactured, stored or disposed of on, under or about the Land or the Project or transported to or from the Land or the Project any Hazardous

Substances other than was needed for the normal operation and maintenance of the Project and any Hazardous Substances used were stored and disposed of in accordance with all applicable Hazardous Substances Laws.

9.13 Construction Budget.

The Construction Budget annexed as Exhibit C is a true, correct and complete copy of the estimated budget for the rehabilitation and development of the Project.

9.14 Utility Services.

All utility services necessary for the operation of the Project as anticipated in the Project Documents are available, or will be available prior to Completion.

9.15 Roads.

All roads necessary for the Project have been or will be completed and are, or will be upon Completion, sufficient for the full utilization of the Project.

9.16 No Regulatory Laws.

As of the Closing Date, the Project is not subject to any federal, state or local regulatory laws other than as set forth in the Extended Use Agreement and the Permitted Encumbrances as provided in the Project Documents.

9.17 Tax Returns.

All federal, state and local tax returns required to be prepared by the Partnership and the General Partner with respect to the Partnership, the Project and the General Partner, respectively, have been timely, duly and accurately completed and filed, and all federal, state and local taxes arising in connection with the Partnership and the ownership and operation of the Project have been paid in full, except, to the extent applicable, any taxes contested in good faith by the Partnership in accordance with all applicable procedures and requirements for tax contestation in such federal, state or local taxing authority arising in connection with the Partnership and the ownership and operation of the Project.

9.18 Nonrecourse Debt.

With the exception of the Bond Loan and the First Mortgage Loan prior to Permanent Loan Conversion, which may be a recourse obligation of the General Partner, there shall be no direct or indirect personal liability or economic risk of loss with respect to any of the Partners or any Affiliates thereof for the repayment of the principal of or payment of interest on the Loans.

9.19 Bonds.

The Project is being financed by \$33,000,000 issue of tax-exempt obligations that (i) will fund fifty percent (50%) or more of the aggregate basis of each of the buildings and the land attributable thereto (including for this purpose any investment proceeds earned with respect to the Bonds), (ii) will be financed with an obligation the interest on which is exempt from tax

under Section 103 of the Code, (iii) is within the State's volume cap as provided in Section 146 of the Code, (iv) is not subject to the provisions of Section 146(i)(1) of the Code (i.e. is not refunding existing bonds), and (v) requires principal payments which will be applied within a reasonable period to redeem such obligations.

9.20 Qualified Census Tract.

The Project is not located in a "qualified census tract" or "difficult development area" within the meaning of Code Section 42(d)(5)(B). Accordingly, the Project will not be entitled to the 130% increase in basis permitted by Section 42 of the Code.

9.21 Eligible Basis and Housing Tax Credit Percentage.

At Completion, the Eligible Basis with respect to the acquisition of the Project is anticipated to be no less than \$36,038,293 and the Eligible Basis with respect to the rehabilitation of the Project is anticipated to be no less than \$13,808,533. The Partnership has not made a valid election to lock-in the Housing Tax Credit Percentage for costs related to rehabilitation. The Housing Tax Credit Percentage for costs related to acquisition is 3.22%, the applicable percentage in effect in August, 2017.

9.22 Projected Housing Tax Credits.

The projected Federal Housing Tax Credits to the Project are \$330,265 for the year 2017, \$1,605,068 per year for each of the years 2018-2026, and \$1,274,803 for the year 2027.

9.23 Housing Tax Credit Conditions.

To the best knowledge of the General Partner, the Project complies and during the Compliance Period will continue to comply with the Housing Tax Credit Conditions.

9.24 Development Fee.

The amount of the Development Fee and other compensation paid to the Developer and the General Partner and projected to be included in the Eligible Basis of the Project does not exceed the amount permitted by the Credit Agency. The portion of the Development Fee projected to be included in Eligible Basis relates solely to the acquisition and rehabilitation of the Project. The Development Fee shall be apportioned among the Low-Income Units, and as so apportioned shall be fully earned and unconditionally payable with respect to each Low-Income Unit no later than the end of the first year of the Credit Period for such Low-Income Unit.

9.25 Accounting Method.

Each of the Partnership, the General Partner and any Affiliates thereof has used the accrual method of accounting since its formation and will continue to do so.

9.26 Federal Funds.

The Partnership has not, and will not, be financed directly or indirectly with any federally funded grants (as described pursuant to Section 42(d)(5) of the Code) which would require a reduction in Eligible Basis.

9.27 Credit Occupancy.

Not later than the close of the First Year and continuing throughout the Compliance Period, not less than one hundred percent (100%) of the Rental Units in the Project will be occupied by persons having sixty percent (60%) or less of area median income, as adjusted for family size and subject to future increases of a qualified occupant's income up to one hundred forty percent (140%) of the otherwise applicable limitation; provided that should an occupant's income increase to more than one hundred forty percent (140%) of the otherwise applicable limitation, the next available unit will be rented to a tenant whose income is at or below such limitation.

9.28 Rents.

Gross rents (as defined in Section 42(g)(2)(B) of the Code) with respect to the Project charged to low-income occupants and to occupants who initially qualify as low-income occupants but whose income increases above the applicable limitation, will not exceed thirty percent (30%) of sixty percent (60%) of area median income, as determined under Section 42(g)(1) of the Code.

9.29 Occupancy of Units.

The Rental Units will be rented on other than a transient basis in a manner consistent with housing policy governing nondiscrimination, as evidenced by rules and regulations established by HUD, including HUD Handbook 4350.3 (or its successor). No such Rental Unit will be part of a hospital, nursing home, sanitarium, lifecare facility, trailer park or intermediate care facility for the mentally and/or physically handicapped. The tenant facilities of the Project will be available to all tenants on a comparable basis without separate fees.

9.30 Extended Use Agreement.

An Extended Use Agreement will be in effect with respect to the Project as of the end of each taxable year in which a Housing Tax Credit is allowed.

9.31 Residential Rental Property.

Eighty percent (80%) or more of the gross rental income from the Property for each taxable year of the Partnership shall be rental income from dwelling units.

9.32 [Intentionally Omitted].

9.33 Material Facts.

To the best knowledge of the General Partner, all material facts and transactions related to the Project have been disclosed to the Limited Partners and all materials furnished by the General Partner or its Affiliates to the Limited Partners with respect to the Project or the Limited Partners' investment in the Partnership are true and complete in all material respects. Without limiting the generality of the foregoing, the investment assumptions set forth in the Initial Economic Projections are reasonable in all material respects, subject only to such changes as shall have been disclosed in writing to, and approved in writing by, the Limited Partners.

9.34 Construction Monitoring Fee.

The General Partner shall cause the Partnership to pay the Construction Monitoring Fee.

9.35 Patriot Act.

(a) Each of the General Partner and each Guarantor (i) is in compliance with all applicable anti-money laundering laws, including, without limitations, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including without limitations, Executive Order 13224, (ii) is not, nor is any affiliate of any General Partner, on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) is not otherwise identified by a governmental entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, "U.S. Person" shall mean any United States Citizen, any permanent resident, alien, any entity organized under the laws of the United States (including foreign branches) or any person in the United States.

(b) The General Partner hereby represents that none of the General Partner, the Guarantors, the Developer or any Affiliates thereof or any beneficial owner thereof, nor any person or entity that is a party to any financing document being entered into in connection with the Project (i) is listed on the Specially Designated Nationals and Blocked Persons List ("**SCN List**") administered by the OFAC; (ii) is owned or controlled by the government of, is a national of, or is incorporated in, Burma (Myanmar), Cuba, Iran, or Sudan; (iii) is currently targeted by any economic sanctions issued under the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, all as amended, or any enabling legislation, regulations, or executive orders relating thereto (including but not limited to the foreign assets control regulations at 31 C.F.R. Subtitle B, Chapter V); or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity that falls under any of (i)-(iii) above.

9.36 Project Loan Documents.

The General Partner shall not cause the Partnership to enter into any Loan Documents including any amendments or modifications thereto, unless such documents are in form and substance satisfactory to the Investor Limited Partner. The Asset Manager shall be provided at

least ten (10) Business Days to review and approve any such Loan Documents, amendments or modifications before they are executed by the Partnership.

9.37 [Intentionally Omitted]

9.38 Commercial Space.

The Project does not contain any commercial space.

9.39 Letter of Credit.

The General Partner shall promptly notify the Limited Partners if the conditions for making a full or partial draw under that certain Irrevocable Letter of Credit, Number 2468061177, in the amount of \$854,700 and issued by HomeTrust Bank for the benefit of the Partnership, dated as of August 23, 2017 (the “Letter of Credit”) have occurred. If the General Partner does not cause the Partnership to make such draw under the Letter of Credit within five (5) Business Days of providing notice to the Limited Partners, then the General Partner shall immediately send to the Special Limited Partner the original Letter of Credit and the Special Limited Partner shall be granted the irrevocable power of attorney to execute and deliver any and all documents on behalf of the Partnership as necessary or appropriate to make a draw under the Letter of Credit.

9.40 Fair Market Value

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.

9.41 General Partner Fees

The General Partner believes that all fees paid to any General Partner or any Affiliate thereof in connection with the Partnership, including without limitation the Incentive Management Fee will be reasonable in amount for services actually performed; *provided, however*, there can be no assurance that the IRS will not successfully challenge the reasonableness of such fees and the General Partner and its Affiliates shall have no liability therefor by virtue of this Section.

9.42 Related-Party Representations

No building constituting part of the Project was previously placed in service by the Partnership or by any “related person” with respect to the Partnership within the meaning of Section 42(d)(2)(B)(iii) of the Code. No person or group of persons which has on the Closing Date a direct or indirect ownership interest of 50% or more in the Partnership also has or ever had in the past a direct or indirect ownership interest of 50% or more in the Seller. The term “ownership interest” as used in the preceding sentence shall mean an interest in any of profits, losses or cash distributions (including fees based on available cash from operations or sale or refinancing other than fees paid to the Developer).

9.43 HAP Contract.

The Partners acknowledge that the revenues to be received pursuant to the HAP Contract are necessary for the financial viability of the Project. The Partners further acknowledge that the development of the Project as currently contemplated would not be possible in the absence of the HAP Contract. The General Partner shall undertake best efforts to maintain the HAP Contract for the term thereof.

ARTICLE 10 TRANSFER OF PARTNERSHIP INTERESTS

10.1 Generally.

Except as otherwise specifically provided herein, no Partner may transfer all or any portion of its Partnership Interest. Any Transfer of any interest in violation of this Article 10 shall be null and void and of no force whatsoever. Except as otherwise specifically provided herein, no Partner, without the prior written consent of the other Partner, shall withdraw from the Partnership. No additional Partners may be admitted to the Partnership without the Consent of the other Partners or as otherwise specifically permitted herein.

10.2 General Partner.

(a) Assignment. No General Partner may Transfer its Partnership Interest nor shall any interest in the General Partner be Transferred without the prior written consent of each Limited Partner in its sole and absolute discretion. In addition, no interest in any General Partner may be Transferred to an Entity that would cause such General Partner (or, if such General Partner is classified as a partnership for federal income tax purposes, any partner or member of such General Partner) to be a “tax-exempt controlled entity” as such term is defined in Section 168(h)(6)(F) of the Code.

(b) Pledge. Except in connection with the financing of the Project, no General Partner may pledge or encumber its Partnership Interest or its right to any distributions or payments under this Agreement without the prior written consent of the Limited Partners.

10.3 Limited Partners.

(a) Assignment. Notwithstanding Section 10.1, each Limited Partner may (i) with the consent of the General Partner, Transfer all or any portion of its Partnership Interest to any Person, and (ii) without the consent of the General Partner, Transfer all or any portion of (A) its Partnership Interest to an Affiliate of such Limited Partner or an entity controlled by an Affiliate of such Limited Partner, including an Investor Partnership or LLC, and (B) its Partnership Interest to AEGON, an Affiliate of AEGON or an AEGON Affiliated Insurance Company. The General Partner shall cooperate with the Limited Partners in facilitating such Transfer by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Project, the General Partner and the Affiliates of the General Partner and any other matters reasonably necessary in the judgment of the Limited Partners to facilitate and effect such Assignment at the sole expense of the assigning Limited Partner. Each Assignee of an Interest transferred in accordance with this Section 10.3 shall be admitted to the Partnership as a

Substituted Partner only upon satisfaction of the conditions for substitution set forth in Section 10.3(b). Furthermore, all or any portion of the limited partnership interests or membership interests in each Limited Partner (or successor or Assignee thereto) shall be freely transferable to any Person without the consent of the General Partner.

(b) Conditions to Substitution. An Assignee shall not become a Limited Partner hereunder and shall be considered only an Assignee and shall not have any other rights of a Partner other than its right to Net Income, Net Losses, Credits and distributions, unless and until the General Partner admit the Assignee as a Substituted Partner pursuant to this Section 10.3(b). An Assignee shall not become a Substituted Partner until (i) except for an Assignee that is described in Section 10.3(a)(ii) above, as to which the General Partner's consent to substitution shall not be required, the General Partner's consent to the substitution in their sole and absolute discretion, and (ii) the Assignee (A) pays all applicable state or local transfer taxes and reasonable legal expenses of the Partnership and the General Partner incurred in connection with its substitution; (B) submits a duly executed instrument of assignment, in a form satisfactory to the General Partner, (1) specifying the Partnership Interest assigned to it, and (2) setting forth such Limited Partner's intention that the Assignee succeed to such Limited Partner's Partnership Interest; and (C) executes a copy of this Agreement at the election of the General Partner. In the event that the General Partner's consent is not required for substitution (as to any Assignee that is described in Section 10.3(a)(ii) above), the General Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such General Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 10.3(b). The admission of a Substituted Partner shall be effective as of the close of the day on which all of the applicable conditions to the substitution have been satisfied.

(c) Right to Withdraw. The Limited Partners shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to withdraw as a partner from the Partnership, whereupon the Limited Partners shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners.

10.4 No Release or Waiver.

Neither the provisions of, nor consummation of the transactions contemplated by, this Article 10 shall constitute a release or waiver of any claims or rights to which the Partnership or any Partner may have against the Partnership or any of the Partners as a consequence of a breach of this Agreement.

ARTICLE 11 REMOVAL OF GENERAL PARTNER

11.1 Default.

If an Event of Default shall occur with respect to a General Partner (such General Partner is the "Defaulting General Partner"), the Limited Partners shall have the rights set forth in Section 11.3 in addition to any rights and remedies at law or in equity.

11.2 Event of Default.

An Event of Default shall occur upon the happening of any of the following events:

(a) The Bankruptcy of the General Partner, the Developer, the Guarantors, or any Affiliate of the General Partner; provided that a Bankruptcy of such Guarantor shall not trigger the rights set forth in Section 11.3 if: (1) a replacement guarantor is identified with thirty (30) days of the Bankruptcy, (2) such replacement Guarantor meets the net worth and liquidity requirements applicable to the Guarantor pursuant to this Agreement and the Guaranty, (3) such replacement Guarantor is acceptable to the Limited Partner in its sole discretion, and (4) such replacement Guarantor signs the Guaranty or such successive document as requested and approved by the Limited Partner;

(b) A material breach by a General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of such General Partner to cure such default within thirty (30) days after notice from any Limited Partner; *provided, however,* that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the General Partner to cure such default within sixty (60) days, provided that the General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the General Partner is diligently pursuing a cure;

(c) A breach by a Guarantor of any obligation under the Guaranty which the Guarantor fails to cure within any cure period applicable under the Guaranty;

(d) The failure of the General Partner to have taken all steps necessary to assure Completion on or before the Outside Completion Date within 45 days of notice of the determination by the Special Limited Partner that Completion is unlikely to occur by the Outside Completion Date;

(e) A material default by the Partnership or a General Partner under any Project Document, which the General Partner fails to cure or cause to be waived within any cure period applicable under the relevant Project Documents;

(f) A default under the Loan Documents, which the General Partner fails to cure or cause to be waived by the Lender within any cure period applicable under the relevant Loan Documents;

(g) The violation by a General Partner of any law, regulation or order applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; *provided, however,* that if such violation is of the type that can be cured, the failure to cure such violation within sixty (60) days after receipt of notice thereof from any Limited Partner; provided, further, that for so long as there is no imminent threat of material adverse effect to the Partnership, the Project or the Limited Partners in the reasonable discretion of the Limited Partners, if such violation is of the type that cannot be cured within such sixty (60) day period, the failure of such General Partner to cure such violation within ninety (90) days after receipt of notice thereof from any Limited Partner, provided that such General Partner demonstrates to the reasonable satisfaction of the Limited Partner that such General Partner is diligently pursuing a cure; or

(h) Fraud, misrepresentation or willful misconduct by a General Partner or the material violation by a General Partner of its fiduciary duties as a General Partner of the Partnership.

11.3 Remedies.

(a) For as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner shall have the right, but not the obligation, to remove the Defaulting General Partner and appoint itself or its affiliated designee as substitute General Partner and acquire in consideration of a cash payment of \$100 the Partnership Interest of the Defaulting General Partner exercisable by written Notice of Default to the General Partner of the Event of Default, stating in such notice the effective date of its removal. Notwithstanding anything to the contrary contained herein, the Defaulting General Partner may be removed prior to the expiration of any applicable cure period in the event the Special Limited Partner reasonably determines it is necessary to protect the interests of the Partnership or the Investor Limited Partner from immediate harm or loss. Upon its removal, the Defaulting General Partner shall forfeit its Partnership Interest and the Defaulting General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Defaulting General Partner provided in this Agreement. Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm the foregoing.

(b) The removal of the Defaulting General Partner shall not affect any of the rights of the Defaulting General Partner or its Affiliates to (i) receive distributions or fees with respect to the period prior to the removal of such General Partner; (ii) receive fees earned or repayment of loans; nor (iii) affect the rights of the Developer to receive the Development Fee or payments pursuant to this Agreement; provided that such payments shall be subject to set-off by the Partnership and the Limited Partners for any monies owed under the Guaranty, or hereunder and shall be further subject to set-off for Special Limited Partner's costs, including attorneys' fees, incurred in a contested removal action of the Defaulting General Partner. Neither the Defaulting General Partner nor any of its Affiliates shall have any right to receive any distributions, payments or fees of any kind with respect to the period after the removal of such General Partner. The Partnership may offset against any payments to the Defaulting General Partner or an Affiliate of the Defaulting General Partner, under this Section (including without limitation the Development Fee) any damages suffered by the Partnership as a result of any event which caused the removal or any breach of such Defaulting General Partner hereunder. The Defaulting General Partner shall not be liable for any obligations or liabilities incurred by the Partnership from and after the time of its removal, nor shall any Guarantor be liable under the Guaranty for any liabilities incurred by the Partnership with respect to the removed General Partner from and after the time of its removal from the Partnership. Notwithstanding anything to the contrary contained herein, if the Deferred Development Fee is outstanding at the time of such removal, such Deferred Development Fee shall become immediately due and payable in full and shall be paid not pursuant to Article 5 but only by the Defaulting General Partner in the manner set forth in Section 3.1(a). Upon removal, the Defaulting General Partner shall cease to have any managerial rights whatsoever under this Agreement and shall forthwith surrender and make

available to the Special Limited Partner or its designee all Partnership records, books of account and accounts held by banks or other financial institutions on behalf of the Partnership.

(c) Notwithstanding the foregoing, for as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner or any Entity which is an affiliated designee of the Special Limited Partner (an “**SLP Affiliate**”), may elect to become an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner or such SLP Affiliate and such consent, the Special Limited Partner or such SLP Affiliate shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner or such SLP Affiliate (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 11.3(c). If the Special Limited Partner or such SLP Affiliate shall become an additional General Partner as herein stated, its Interest shall not be increased thereby (except that the Special Limited Partner may assign its Interest to such SLP Affiliate). In the event of the admission of the Special Limited Partner or such SLP Affiliate as a General Partner pursuant to this Section 11.3(c), and if there are then any other General Partners, the Special Limited Partner or such SLP Affiliate shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners, and the rights and authority of the remaining General Partners shall be deemed equally divided among them. At the election of the Special Limited Partner or such SLP Affiliate, the Interest of any of the remaining General Partners shall either (i) remain as General Partners with an aggregate authority and voting rights of 49%; or (ii) be converted to a special limited partner interest.

(d) The rights and remedies set forth in this Section 11.3 are non-exclusive and are in addition to any other rights and remedies the Limited Partners may have under this Agreement or at law or in equity. Specifically, notwithstanding the foregoing, the Limited Partners may seek the judicial appointment of a receiver for the Partnership.

ARTICLE 12

DISSOLUTION, LIQUIDATION AND TERMINATION OF PARTNERSHIP

12.1 Limitations.

The Partnership may be dissolved, liquidated and terminated pursuant to and only pursuant to the provisions of this Article 12, and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Partnership or a sale or partition of the Partnership and/or any or all of its assets. The parties hereto do hereby covenant and agree that, except as otherwise provided in this Article 12, neither the dissolution nor the Withdrawal from the Partnership for any other reason of any of the parties hereto nor the admission to the Partnership of a Substituted Partner pursuant to the provisions of Article 10 shall cause the Partnership to be dissolved, liquidated or terminated.

12.2 Exclusive Causes.

The following and only the following events shall cause the Partnership to be dissolved liquidated and terminated:

- (a) The Partnership shall exist in perpetuity and shall have no specific term;
- (b) The sale, condemnation or other disposition of all or substantially all of the Partnership's Property as a whole; *provided, however*, that if all or substantially all of the Property is sold in a sale with a portion of the purchase price payable in installments, the Partnership shall not be dissolved, liquidated or terminated until all payments thereunder have been received by the Partnership and all claims in connection therewith have been resolved;
- (c) The agreement of all of the Partners;
- (d) Entry of a decree of judicial dissolution under the Act; or
- (e) The happening of any of the events set forth in the Act that affects any then sole remaining General Partner and thereby results in the dissolution of the Partnership by operation of law unless (i) at the time there is at least one General Partner who is hereby authorized to continue the business of the Partnership and, in part, does so, or (ii) each of the remaining Partners elects in writing within ninety (90) days to continue the Partnership and elect a new General Partner.

12.3 Liquidation.

In all cases of dissolution of the Partnership, the business of the Partnership shall be continued to the extent necessary to allow an orderly winding up of its affairs, including the liquidation and termination of the Partnership pursuant to the provisions of this Section and Sections 12.4 and 12.5, as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Partner shall cause to be prepared a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, a copy of which statement shall be furnished to the other Partners.

(b) The property and assets of the Partnership shall be liquidated by the Liquidating Partner as promptly as possible, but in an orderly and businesslike manner. In the event that the Partnership elects to sell assets to third parties, the Limited Partners shall have the right of first refusal to purchase any or all of the assets of the Partnership for their fair market value (at the price determined in Section 13.13). In all other cases, the Liquidating Partner may, in the exercise of its business judgment, determine not to sell all or any portion of the property and assets of the Partnership, in which event such property and assets shall be distributed in kind pursuant to Section 12.3(d).

(c) Any gain or loss realized by the Partnership upon the sale of its property and assets shall be deemed recognized and allocated to the Partners in the manner set forth in Article 6. To the extent that an asset is to be distributed in kind, such asset shall be deemed to have been sold at its fair market value on the date of distribution, the gain or loss deemed recognized upon such deemed sale shall be allocated in accordance with Article 6 and the amount of the distribution shall be considered to be such fair market value of the asset. If the Partners cannot agree upon such fair market value, the same shall be determined by appraisal as provided in Section 13.13.

(d) The proceeds of sale and all other assets of the Partnership, including Operating Cash Flow and Extraordinary Cash Proceeds of the Partnership, shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of the debts and liabilities of the Partnership and the expenses of liquidation;

(ii) To the setting up of any reserves which the Liquidating Partner shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Partnership or the Partners arising out of or in connection with the Partnership. Such reserves shall be held for such period as the Liquidating Partner shall deem advisable, and upon the expiration of such period, any remaining balance shall be distributed as provided in clause (iii) of this Section; and

(iii) To the Partners in accordance with their positive Capital Account balances (after taking into account the allocations made pursuant to Section 6.1) in compliance with Regulations § 1.704-1(b)(2)(ii)(b)(2).

(e) Distributions in liquidation shall be made by the end of the Fiscal Year in which liquidation occurs or, if later, within ninety (90) days of the liquidation event and shall otherwise comply with Regulations Section 1.704-1(b).

12.4 Liquidating Partner.

The Liquidating Partner shall, upon the final dissolution of the Partnership, file an appropriate certificate to such effect in the proper governmental office or offices under the Act as then in effect. Notwithstanding the foregoing, each Partner, upon the request of the Liquidating Partner, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Partner shall reasonably request to effectuate the proper dissolution, liquidation and termination of the Partnership, including the winding up of the business of the Partnership.

12.5 Termination of Partnership.

The Partnership shall be terminated upon (a) completion of any dissolution and liquidation thereof pursuant to the provisions of this Article 12, and (b) preparation, execution, acknowledgment, filing, recordation, publication, delivery and/or cancellation of any instruments, documents or statements if and as required by the Act, the Code or any other applicable laws.

ARTICLE 13 MISCELLANEOUS

13.1 Notices.

Notices shall be in writing and shall be either (a) given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by electronic copy, promptly confirmed in writing (which confirmation writing may be via e-mail from the party so noticed), or (c) sent by

personal delivery by a nationally recognized courier service (e.g., Federal Express) for next day delivery. The current addresses and telecopy numbers of the Partners are as follows:

If to the General Partner: Berkley Preservation GP, LLC
c/o Fairstead Affordable LLC
152 West 57th Street, 36th Floor
New York, NY 10019
Attn: John Tatum and Jeff Goldberg
E-mail: jtatum@fairsteadcapital.com
E-mail: jgoldberg@fairsteadcapital.com

With a copy to: Williams Mullen
999 Waterside Drive, Suite 1700
Norfolk, VA 23510
Attn: Alyssa Embree, Esq.
E-mail: aembree@williamsmullen.com

If to the Investor Limited Partner: LIHTC Fund 53, LLC
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
Facsimile: (319) 355-8030
E-mail: lihtcreporting@aegonusa.com

With a copy to: Holland & Knight LLP
10 St. James Ave., 11th Floor
Boston, MA 02116
Attn: Jonathan I. Sirois, Esq.
Facsimile: (617) 523-6850

If to the Special Limited Partner: Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
Facsimile: (319) 355-8030
E-mail: lihtcreporting@aegonusa.com

Any Partner may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section. A Notice sent in compliance with the provisions of this Section shall be deemed delivered when actually received by the party to whom sent.

13.2 Entire Agreement; Modifications.

(a) This Agreement, including all Exhibits attached hereto, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

(b) No changes in, additions to or modifications of this Agreement shall be valid or of any force unless such change or modification is in writing signed by each of the Partners.

13.3 Section Headings.

The Section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

13.4 Parties in Interest.

Except as expressly provided to the contrary herein, this Agreement shall be binding upon each successor to, and assign of, the parties, and inure to the benefit of each permitted successor to, and assign of, the parties.

13.5 Further Assurances.

Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other reasonable action, as may be required by law or necessary or useful effectively to carry out the purposes of this Agreement.

13.6 Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute a single agreement, binding on all of the parties hereto, their successors and their assigns. Each counterpart signature page so executed may be attached to a master counterpart of this Agreement to be kept by the Partnership at the principal office of the Partnership and such master counterpart as well as any and all other counterparts executed by any of the parties hereto shall constitute a single agreement.

13.7 Legal Action, Jurisdiction, Service and Fees.

In the event of any controversy, claim or dispute between the parties hereto, or between a party hereto and the Partnership, arising out of or relating to this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable expenses, including attorneys' fees and costs. Any legal action or proceeding with respect to this Agreement may be brought in the federal courts of the Commonwealth of Virginia, and by execution and delivery of this Agreement, each Partner and any other party hereto hereby accepts, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Partner and other party hereto irrevocably consents to the service of process of any of the aforementioned courts in any such

action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to such Partner and other party hereto at his address set forth in this Agreement, and service so made shall be deemed complete seven (7) days after the same shall have been so mailed.

13.8 Severability.

Any provisions of this Agreement which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Agreement.

13.9 Governing Law.

Except to the extent any provision hereof is mandatorily required to be governed by the Act, this Agreement, including its existence, validity, construction and operating effect, and the rights of each of the parties hereto, shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia.

13.10 Extension Not a Waiver; Timing of Performance.

No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Partner or the Partnership shall impair or affect the right of such Partner or the Partnership thereafter to exercise the same. Any extension of time or other indulgence granted to a Partner hereunder shall not otherwise alter or affect any power, remedy or right of any other Partner or of the Partnership, or the obligations of the Partner to whom such extension or indulgence is granted. Whenever any obligation contained in this Agreement (which is an obligation solely of this Agreement and is not an obligation controlled by another Project Document) shall be stated to be required on a day that is not a Business Day, such obligation shall be due on the first Business Day immediately thereafter.

13.11 Construction.

This Agreement has been negotiated at arm's length and between parties who are sophisticated and knowledgeable in the subject matter hereof and who have been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decisions that would require interpretation of any ambiguity in this Agreement against the party that has drafted it shall not apply and are hereby waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent of the parties and the purposes of the Partnership. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership.

13.12 Consents.

Any consent or approval to any act or matter required under this Agreement must be in writing and may not be unreasonably withheld or delayed, except as otherwise specifically provided herein, and shall apply only with respect to the particular act or matter to which such consent or approval is given, and shall not relieve any Partner from the obligation to obtain the consent or approval, as applicable, wherever required under this Agreement to any other act or

matter. The Limited Partners have delegated to the Asset Manager any consent or approval rights granted to the Limited Partners pursuant to this Agreement.

13.13 Appraisal.

Any appraisal required to be made pursuant to this Agreement shall be made as follows:

(a) An appraisal shall be determined by mutual agreement of the parties or, in the absence of such agreement, as follows: the General Partner and the Limited Partners shall select a mutually acceptable appraiser. In the event the parties are unable to agree upon an appraiser, the General Partner and the Limited Partners shall each select an appraiser. If the difference between the two appraisals is within 10% of the lower of the two appraisals, the subject value shall be the average of the two appraisals. If the difference between the two appraisals is greater than 10% of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser. If the two appraisers are unable jointly to select a third appraiser, either the General Partner or the Limited Partners may, upon written notice to the other, request that the appointment be made by the American Arbitration Association or its designee. If the third appraisal is less than either of the first two, then the subject value shall be the average of the two lowest appraisals. If the third appraisal is greater than the first two, then the subject value shall be the average of the two highest appraisals. If the third appraisal falls between the previous two appraisals, the subject value shall be the value established by the third appraisal.

(b) The General Partner and the Limited Partners shall share the cost equally of any appraiser jointly selected or shall pay the costs of the appraiser they each select and shall share the cost equally of any third appraiser. Any appraiser selected pursuant to this Section 13.13 shall be an MAI (Member of the Appraisal Institute) certified appraiser with at least five (5) years of experience in appraising property of the same type as the Project.

13.14 Disclosure of Due Diligence, Books, Records and Reports; Further Assurances Relating to a Transfer.

The Limited Partners shall have the right to disclose any information received by the Limited Partners in conjunction with their investment in the Partnership to (i) any entity holding, either directly or indirectly, an ownership interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, (ii) any entity who is considering acquiring, either directly or indirectly, an interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, and (iii) the Asset Manager and their advisors, consultants, attorneys, accountants and other similar agents. Such disclosure may include, without limitation, any or all documents set forth in Exhibit L, the books and records of the Partnership maintained in accordance with the provisions of Section 8.1, and any tax returns or financial reports provided to the Limited Partners pursuant to Sections 8.2 and 8.3. The General Partner acknowledges and agrees that the Investor Limited Partner may elect to transfer its interest to another investment entity sponsored by AEGON USA Realty Advisors, LLC. The General Partner agrees to execute or obtain and deliver any amendments and supplements to this Partnership Agreement, legal opinions, title policy endorsements, ALTA Surveys, estoppel certificates, and other closing documents and otherwise to cooperate with the Investor Limited Partner in order to satisfy the due diligence requirements of any potential investor and/or so to effect the transfer of the interest of the Investor Limited Partner in the

Partnership, and the Investor Limited Partner will bear actual third party legal and accounting costs incurred by the General Partner in excess of actual third party legal and accounting costs incurred by the General Partner for the review and completion of the form of amendment and assignment and assumption agreement attached as Exhibit N.

ARTICLE 14 HUD PROVISIONS

14.1 Conflicting Terms with Loan Documents.

Notwithstanding any clause or other provisions of this Agreement or the Certificate of Limited Partnership of the Partnership, as amended (the “**Certificate**”) (collectively also referred to as “Organizational Documents”), to the contrary and so long as 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 (HUD Project No. 051-11378) in Newport News, Virginia, the following provisions set forth in this Article 14 shall apply.

14.2 Conflicting Provisions.

If any of the provisions of the Organizational Documents conflict with the terms of the First Mortgage, the First Mortgage Loan Note, and the HUD Regulatory Agreement (the “**HUD Loan Documents**”), the provisions of the HUD Loan Documents shall control.

14.3 Consent of HUD.

No provision required by HUD to be inserted into the Organizational Documents of the Partnership 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 this Agreement or the Certificate and any HUD-required provisions of this Agreement or the Certificate, the HUD-required provisions will govern.

14.4 Single Asset Entity.

Unless otherwise approved in writing by HUD, the Partnership’s business and purpose shall consist solely of the acquisition, ownership, operating and maintenance of the Project and any 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 real estate other than the Project.

14.5 Amendments that Require HUD Consent.

So long as the Secretary of HUD (the “**Secretary**”) or the Secretary’s successors or assigns is the insurer or holder of the First Mortgage, none of the following will have any force or effect without the prior written consent of the Secretary:

- (a) Any amendment that modifies the term of the Partnership;

(b) Any amendment that triggers application of the HUD previous participation certification requirements (as set forth in Form HUD-2350, Previous Participation Certification, or 24 C.F.R. § 200.210, et seq.);

(c) Any amendment that in any way affects any HUD Loan Documents;

(d) Any amendment that would authorize any Partner(s), 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;

(e) A change that is subject to the HUD TPA requirements contained in Chapter 13 of HUD Handbook 4350.1 REV-1;

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

(g) Any amendment to this Agreement that modifies the obligations of the Investor Limited Partner without the prior written consent of both the First Mortgage Lender and the Secretary.

14.6 Authorization.

The Partnership is authorized to execute the First Mortgage and the First Mortgage Loan Note in order to secure a loan insured by HUD and to execute the HUD Regulatory Agreement and other documents required by the Secretary in connection with the First Mortgage Loan.

14.7 Incoming Partners.

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 First Mortgage Loan to the same extent and on the same terms as the other Partners.

14.8 HUD Restrictions on Dissolution.

Notwithstanding any other provision of this Agreement or the Certificate, upon any dissolution of the Partnership, 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 who is not bound by the HUD Regulatory Agreement in a manner satisfactory to HUD.

14.9 Binding on Principals.

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

14.10 Dissolution.

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

14.11 HUD Representative.

The Partnership has designated John Tatum and Jeffrey Goldberg as official representatives (each a “**HUD Representative**”) for all matters concerning the Project which require HUD consent or approval. The signature of the HUD 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 (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 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.

14.12 Indemnification and Advancement of Expenses.

Notwithstanding any other provision of this Agreement, for so long as the Project is subject to the First Mortgage Loan, any obligation of the Partnership to provide indemnification under this Agreement shall be limited to (i) coverage afforded under any liability insurance carried by the Partnership, (ii) amounts mandated by state law, if any, and (iii) available “surplus cash” of the Partnership as defined in the HUD 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.

14.13 Security Interests.

Neither the Partnership, nor its members, managers, partners, officers or directors, shall, without HUD’s prior written approval, grant a security interest in any of the Partnership’s or the Project’s assets.

14.14 Distributions.

Notwithstanding any other provision of this Agreement, for so long as the Project is subject to the First Mortgage Loan, any cash distributions to the partners may only be made in accordance with the terms of the HUD Regulatory Agreement.

14.15 HUD Restrictions on Certain Loans.


Notwithstanding any other provision of this Agreement, for so long as the Project is subject to the First Mortgage Loan and/or any Operating Deficit Loan from any Partner may only be made in accordance with the terms of the HUD Regulatory Agreement.

[NO FURTHER TEXT ON PAGE; SIGNATURE PAGES DESIGNATED S-1 AND S-2 FOLLOW IMMEDIATELY HEREAFTER]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

GENERAL PARTNER:

BERKLEY PRESERVATION GP, LLC, a
Delaware limited liability company


By: 
Name: John Tatum
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

INVESTOR LIMITED PARTNER:

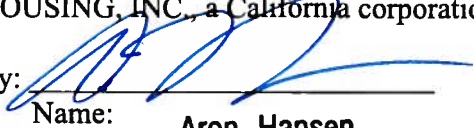
LIHTC FUND 53, LLC, a Delaware limited liability company

By: Aegon Community Investments 53, LLC, ^{JW}
a Delaware limited liability company, its
Non-Member Manager

By: 
Name: _____
Its: **Aron Hansen**
Vice President

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation ^{JW}

By: 
Name: _____
Its: **Aron Hansen**
Vice President

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

WITHDRAWING LIMITED PARTNER:

FAIRSTEAD AFFORDABLE LLC, a
Delaware limited liability company

By: _____


Name: John Tatum

Title: Authorized Signatory

LEGAL DESCRIPTION OF LAND

The land referred to in this Policy is described as follows:

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

TRACT I - Fee Simple

All those certain lots, pieces or parcels of land, situate, lying and being in the City of Newport News, Virginia, containing a total of 15.2525 acres, more or less, and being designated as Lots Numbered 1 (One) and 2 (Two), as shown on a subdivision plat entitled, "BERKLEY VILLAGE, CITY OF NEWPORT NEWS, VIRGINIA" dated January 9, 1981, made by Coenen & Associates, Inc., print of which plat is recorded in the Clerk's office of the Circuit Court of the City of Newport News, Virginia in Plat Book 12 at page 61 to which particular reference is here made and being more particularly described as follows:

Lot 1

Beginning at a concrete monument in the northerly line of Lot 1 and the southerly line of Saunders Road, said concrete monument being located S58°29'20"E 23.59' from the intersection of the easterly right of way line of Daphia Circle extended with the southerly right of way line of Saunders Road extended along the tangent of a curve and from this True Point of Beginning running thence with the southerly right of way line of Saunders Road along the arc of a circle 834.54' in radius curving to the left an arc distance of 89.19' to a concrete monument; thence continuing with the southerly right of way line of Saunders Road S64°36'40"E 96.49' to a concrete monument; thence continuing with the southerly right of way line of Saunders Road along the arc of a circle 214.52' in radius an arc distance of 59.43' to a concrete monument in the westerly line of property of the U.S. Government; thence leaving the southerly right of way line of Saunders Road with the easterly line of property of the U.S. Government S02°12'20"W 751.45' to an iron pipe in the northerly line of property of the U.S. Government; thence with the northerly line of the property of the U.S. Government S62°36'20"W 585.40' to an iron pipe; thence continuing with the northerly line of property of the U.S. Government N86°23'40"W 136.70' to an iron pipe in the easterly line of Berkley West; thence with the easterly line of Berkley West N02°12'20"E 293.27' to a concrete monument in the southerly line of Daphia Circle; thence with the southerly line of Daphia Circle S87°47' 40"E 49.12' to a concrete monument; thence continuing with the southerly right of way line of Daphia Circle along the arc of a circle 276.16' in radius curving to the left an arc distance of 360.49' to an concrete monument in the easterly right of way line of Daphia Circle; thence with the easterly right of way line of Daphia Circle N17°24'51 "E 85.50' to a concrete monument; thence continuing with the easterly right of way line of Daphia Circle along the arc of a circle 469 .19' in radius curving to the left an arc distance of 207. 79' to a drill hole; thence continuing with the easterly right of way line of Daphia Circle N07°57'39"W 87.00' to a concrete monument; thence continuing with the easterly right of way line of Daphia Circle along the arc of a circle 344.92' in radius curving to the right an arc distance of 257.71' to an concrete monument; thence continuing with the easterly right of way line of Daphia Circle N34°50'51 "E 22.59' to a concrete monument;

continuing with the easterly right of way line of Daphia Circle along the arc of a circle 25.00' in radius curving to the right an arc distance of 37.81' to the point or place of beginning.

Lot 2

Beginning at a concrete monument in the northerly line of Lot 2 and the southerly line of Saunders Road, said concrete monument being located N51°49'04"E 23.59' from the intersection of the westerly right of way line of Daphia Circle extended with the southerly right of way line of Saunders Road extended along the tangent of a curve and from this True Point of Beginning running thence along the arc of a circle 25.00' in radius curving to the right an arc distance 37.81' to a concrete monument in the westerly right of way line of Daphia Circle; thence with the westerly right of way line of Daphia Circle S34°50' 51"W 22.59' to a concrete monument; continuing with the westerly right of way line of Daphia Circle along the arc of a circle 394.92' in radius curving to the left an arc distance of 295.06' to a drill hole; thence with the westerly right of way line of Daphia Circle S07°57'39"E 87.00' to a concrete monument; thence continuing with the Westerly right of way line of Daphia Circle along the arc of a circle 419.19' in radius curving to the right an arc distance of 185.65' to a concrete monument; thence continuing with the westerly right of way line of Daphia Circle S17°24'51"W 85.50' to a concrete monument; thence continuing with the westerly right of way line of Daphia Circle along the arc of a circle 226.16' in radius curving to the right an arc distance of 295.22" to an concrete monument in the southerly right of way line of Daphia Circle; thence with the southerly right of way line of Daphia Circle N87°47'40"E 49.12' to a concrete monument in the easterly line of Berkley West; thence leaving the southerly right of way line of Daphia Circle with the easterly line of Berkley West N02°12'20"E 1063.06' to a concrete monument in the southerly right of way line of Saunders Road; thence with the southerly right of way line of Saunders Road along the arc of a circle 598.77' in radius curving to the left an arc distance of 73.01' to a concrete monument; thence continuing with the southern right of way line of Saunders Road S67°26'40"E 54.20' to a concrete monument; thence continuing with the southerly right of way line of Saunders Road along the arc of a circle 379.61' in radius curving to the right an arc distance of 135.16' to a concrete monument; thence continuing with the southerly right of way line of Saunders Road S47°02'40"E 74.84' to a concrete monument; thence continuing with the southerly right of way line of Saunders Road along the arc of a circle 834.54' in radius curving to the left an arc distance of 69.53' to the point or place of beginning.

TRACT II

All those certain lots, pieces or parcels of land situate, lying and being in the City of Newport News, Virginia being known, numbered and designated as Lots numbered One (1), Two (2) and Three (3) as shown on that certain plat entitled "BERKLEY WEST", dated May 17, 1982 and made by William M. Sours - Surveyor, and duly recorded in the Clerk's Office of the Circuit Court of the City of Newport News, Virginia on March 22, 1984 in Plat Book 14 at page 45.

NOTE: Being Parcel No. 187000110 and 187000112.

NOTE: Parcel No. shown for informational purposes only.

INITIAL ECONOMIC PROJECTIONS

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	14,511,867						
Capital One / FHA	40,600,000						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	829,498						
Cashflow From Operations	208,007						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	1,240,127						
GP Loan	-						
TOTAL SOURCES OF FUNDS	57,389,499						
Surplus (Deficit)	-						
ACQUISITION COSTS							
Acquisition Land	3,700,000	x	x	x	x	x	3,700,000
Acquisition Building	34,300,000	34,300,000	34,300,000	x	x	x	x
Acquisition Building Commercial	-	-	x	x	x	x	x
Acquired Reserves	328,075	x	x	x	x	x	328,075
Other Acquisition Costs	946,462	-	-	x	x	x	946,462
Other Acquisition Costs	-	-	-	x	x	x	-
HARD COSTS							
Construction	5,088,656	5,088,656	x	5,088,656	5,088,656	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	138,600	138,600	x	138,600	138,600	x	x
Contractor Profit	385,000	385,000	x	385,000	385,000	x	x
Performance Bonds	139,755	139,755	x	139,755	139,755	x	x
General Requirements	277,200	277,200	x	277,200	277,200	x	x
Furnishings	1,865,000	1,865,000	x	1,865,000	x	x	x
Site Improvements	792,544	792,544	x	792,544	x	x	-
Permits and Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 854,700	854,700	x	854,700	854,700	x	x
Commercial/Nonresidential Costs	-	-	x	x	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	-	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	-	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-
ARCHITECTURAL AND ENGINEERING							
Architect	200,000	200,000	x	200,000	200,000	x	x
Survey & Engineering	17,500	17,500	x	17,500	17,500	x	x
Environmental	-	-	x	-	-	x	x
Soils	-	-	x	-	x	x	x
Other: PNA, Third Parties, Permits, Interior Design	168,750	168,750	-	168,750	-	-	-
SOFT COSTS							
Relocation	286,800	-	x	-	-	286,800	x
Appraisal	-	-	x	-	-	x	x
Market Study	-	-	-	-	-	-	-
Organizational	-	x	x	x	x	-	x
Professional	199,075	10,001	-	10,001	10,001	189,074	-
Accounting	-	-	-	-	-	x	x
Cost Certification	30,000	30,000	-	30,000	30,000	x	x
Construction Period Taxes	162,260	-	-	-	-	162,260	x
Construction Period Insurance	41,614	-	-	-	-	41,614	x
Marketing (monthly term if not 180 mths)	8	x	x	x	x	-	x
Contingency	40,000	40,000	-	-	40,000	x	x
Tax Credit Fees	115,000	x	x	x	x	115,000	x
Syndication	67,700	-	x	x	x	x	67,700
Other Soft: Depreciable Expenses	306,291	306,291	-	306,291	306,291	-	-
Other Soft: Funded/Non-Depreciable Expenses	39,236	-	-	-	-	39,319	(83)
FEES							
Developer Fee - Rehabilitation	2,744,999	2,744,999	x	2,744,999	2,744,999	x	-
Developer Fee - Acquisition	1,755,001	1,584,119	1,584,119	x	x	x	170,882
Other Consultant	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-
RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	-	x	x	x	x	x	-
Operating Reserve (No. Mths or Input)	3 947,361	x	x	x	x	x	947,361
Other Reserves	-	x	x	x	x	x	-
FINANCING							
Loan 1 - Fees and Legal	449,888	-	x	-	-	449,888	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	-	-	x	-	-	x	x
Other Loan Fees and Legal	296,032	237,711	154,174	83,537	-	58,321	x
Interest	-	-	-	-	-	-	x
Interest Override	706,000	706,000	-	706,000	706,000	-	x
TOTAL	57,389,499	49,886,827	36,038,293	13,808,533	10,938,702	1,342,276	6,160,397
Total Cost/Unit	\$153,859.25						
Hard Costs/Unit	\$23,288.90						
Total Cost/Square Footage	\$211.14						
50% Test							
Depreciable basis +Land		53,586,827					
Tax-exempt Bonds		33,000,000					
% of Eligible Basis & Land financed by Tax-Exempt Bonds		61.58%					
50% Test Met		Yes					
Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded		

Other Soft: Depreciable Expenses		
Item	Title	Amount
		\$ 39
	Grantor Tax	\$ 127,463
	Mortgage Recording Tax	\$ 133,980
	Travel Expenses	\$ 40,000
	Bond Press Notice	\$ 1,380
	Rebate Fund Expense	\$ 3,430
TOTAL		\$ 306,291

Other Soft: Funded/Non-Depreciable Expenses					
Item	Title	Amount	Type	Funded Exp.	Non-Depreciable Exp.
		\$ 39,236	Funded	39,319	
			Non-Depreciable		-
TOTAL		\$ 39,236		39,319	-

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Table with columns: Type, No. Bedrooms, Number of Units, Square Footage, Total Sq.Ft., Tenant Annual Max LIHTC Income, Gross Max LIHTC, Gross Rent, Utility Allowance, Net Rent, Monthly Rent, Annual Rent, Existing Gross Rent, Existing Utility Allowance, Existing Net Rent, Existing Monthly Rent, Existing Annual Rent. Includes sub-sections for LIHTC and Escalations/Vacancy.

MARKET

Table with columns: Type, No. Bedrooms, Number of Units, Square Footage, Total Sq.Ft., Tenant Annual Max LIHTC Income, Gross Max LIHTC, Gross Rent, Utility Allowance, Net Rent, Monthly Rent, Annual Rent, Existing Gross Rent, Existing Utility Allowance, Existing Net Rent, Existing Monthly Rent, Existing Annual Rent. Includes sub-sections for Escalations/Vacancy.

Summary table with columns: Total Units, Common Areas, Circulation, Total Residential SF, Low-Income Ratio. Values include 0, 373, 271,803, 271,803, 100.00%.

MISCELLANEOUS OTHER INCOME

Table with columns: Monthly Per Unit, Monthly Income, Annual Income, Annual Rent. Includes sub-sections for Escalations/Vacancy and items like Laundry and Vending, Tenant Charges.

COMMERCIAL INCOME

Table with columns: Commercial, Retail, Other, Other, Parking Income, Total Commercial Income. Includes sub-sections for Escalations/Vacancy.

OPERATING EXPENSES

	Sensitivity Percent	Upon Completion			Existing		
		Total	Per Unit	Adjusted Total	Total	Per Unit	Adjusted Total
VARIABLE							
Marketing	100%	13,000	34.85	13,000		-	-
Administration	100%	56,500	151.47	56,500		-	-
Maintenance	100%	172,500	462.47	172,500		-	-
Utilities	100%	234,314	628.19	234,314		-	-
Other	100%	-	-	-		-	-
TOTAL VARIABLE		476,314	1,276.98	476,314		-	-
FIXED							
Insurance	100%	83,227	223.13	83,227		-	-
Payroll	100%	604,500	1,620.64	604,500		-	-
Other	100%	-	-	-		-	-
TOTAL FIXED		687,727	1,843.77	687,727		-	-
Project Operating Expenses		1,164,041	3,120.75	1,164,041		-	-
Escalations				3.00%			
Real Estate Taxes	100%	324,520	870.03	324,520			
Real Estate Tax Escalation				3.00%			
Property Management Fee Percent or Property Management Fee Dollars		4.00%					
		-	-	171,748			-
Total Operating Expense Including Property Mgmt Fee and RE Taxes				1,660,309			-
Replacement Reserve				121,225			-
Total Operating Expense Including Property Mgmt Fee				1,781,534	\$ 4,776		-
					(per unit)		
Replacement Reserve		325.00	121,225				

CALCULATION WILL USE INPUT START DATE - DELETE INPUT IF WANT TO USE COMPLETION DATE

Start Date - input	Aug-17
Start Date - Completion	Dec-18
Annual Escalation	3.00%
% Withdrawn	15.00%
Withdrawn Every	5 years
Interest on Reserve Deposits	2.00%

Operations Summary

	<u>Total</u>		<u>Haircut Operations</u>	
Potential Gross Residential Income				
LIHTC Income	4,501,260		0	Decrease by x%
Market Rate Income	0		0	
<i>Other Income</i>				
Laundry and Vending	15,000		-	
Tenant Charges	2,500		-	
0	-		-	
Effective Gross Residential Income	4,518,760		0	
 Residential Vacancy				
LIHTC Vacancy	5.00% (225,063)		0	
Market Rate Vacancy	7.00% 0		0	
Other Income Vacancy	0.00% 0		0	
Effective Gross Rental Income	4,293,697		0	
 Commercial Income				
Commercial Vacancy	0.00% 0		0	
Effective Gross Commercial Income	0		0	
 Total Effective Gross Income	4,293,697		0	
Less: Operating Expenses (incl. Taxes & Mgt Fees)	(1,660,309)		0	Increase by x%
Net Operating Income	2,633,388		0	
 Replacement Reserves	(121,225)		0	\$XXX per unit
Cash Flow avail for Debt Service	2,512,163		0	
Less: Debt Servicing Fees (if Applicable)	0		0	
Net Available for Debt Service after Fees	2,512,163		0	
 Debt Service	3.480% 2,007,910		2,007,910	
Debt Service Coverage Ratio (Net of Debt svc fees)	1.251		0.000	
 Expense Coverage Ratio	2.410112296			
 Maximum Loan Amount @	1.15 44,170,434		0	(44,170,434) (Gap)
Annual Payment	2,184,490		0	
 Breakeven Occupancy	84%			

TAX CREDIT CALCULATION

	Rehab/New Construction	Acquisition	Federal HTC	State HTC	N/A
Basis	13,808,533	36,038,293	10,938,702	10,938,702	
Less:					
Below Market Federal Funds	-	x	x	x	
Other	-	x	x	x	
Other	-	x	x	x	
	-	x	x	x	
Qualified Basis	13,808,533	36,038,293	10,938,702	10,938,702	
Percent Low-Income	100.00%	100.00%			
Basis Boost	100%	100%			
Tax Exempt Use			0%	0%	
Eligible Basis	13,808,533	36,038,293	10,938,702	10,938,702	
Credit Rate	3.22%	3.22%	0.00%	0.00%	
Annual Credit (Calculated)	444,635	1,160,433	-	-	
Credit Allocation Amount	NA			-	-
Minimum of Allocation or Calculated Credit	444,635	1,160,433	-	-	-
Limited Partner Share	99.99%	99.99%	99.99%	0.00%	100.00%
Limited Partner Credit	444,590	1,160,317	-	-	-
Investor Pricing	\$ 0.90	\$ 0.90	\$ -	\$ -	\$ -
Limited Partner Equity	4,001,313	10,442,854	-	-	-
Special Limited Partner Share	0.00%	0.00%	0.00%	0.00%	0.00%
Special Limited Partner Credit	-	-	-	-	-
Special Limited Partner Pricing	\$ 0.90	\$ 0.90	\$ -	\$ -	\$ -
Special Limited Partner Equity	-	-	-	-	-

CASH FLOW FROM OPERATIONS

	LIHTC	LIHTC	Market	Market	Other	Other	Commercial	Commercial	Net	Operating	Real Estate	Calculated	Paid	Net Operating	Replacement	Cash	To Dev	From	Cash	Hard
	Income	Vacancy	Income	Vacancy	Income	Vacancy	Income	Vacancy	Receipts	Expenses	Taxes	Property	Property	Income	Reserves	Flow	Budget	Reserves	Flow	DSC
2017	1,875,520	(93,775)	-	-	7,290	-	-	-	1,789,035	485,030	135,215	71,561	71,561	1,097,229	50,510	1,046,719	208,007	-	838,712	1.25
2018	4,501,248	(225,060)	-	-	17,496	-	-	-	4,293,684	1,164,072	324,516	171,747	171,747	2,633,349	124,862	2,508,487	-	-	2,508,487	1.25
2019	4,591,273	(229,564)	-	-	17,846	-	-	-	4,379,555	1,198,994	334,251	175,182	175,182	2,671,128	128,608	2,542,520	-	-	2,542,520	1.27
2020	4,683,098	(234,155)	-	-	18,203	-	-	-	4,467,146	1,234,964	344,279	178,686	178,686	2,709,217	132,466	2,576,751	-	-	2,576,751	1.28
2021	4,776,760	(238,838)	-	-	18,567	-	-	-	4,556,489	1,272,013	354,607	182,260	182,260	2,747,609	136,440	2,611,169	-	-	2,611,169	1.30
2022	4,872,295	(243,615)	-	-	18,938	-	-	-	4,647,618	1,310,173	365,245	185,905	185,905	2,786,295	140,533	2,645,762	-	-	2,645,762	1.32
2023	4,969,741	(248,487)	-	-	19,317	-	-	-	4,740,571	1,349,478	376,202	189,623	189,623	2,825,268	144,749	2,680,519	-	-	2,680,519	1.33
2024	5,069,136	(253,457)	-	-	19,703	-	-	-	4,835,382	1,389,962	387,488	193,415	193,415	2,864,517	149,091	2,715,426	-	-	2,715,426	1.35
2025	5,170,519	(258,526)	-	-	20,097	-	-	-	4,932,090	1,431,661	399,113	197,284	197,284	2,904,032	153,564	2,750,468	-	-	2,750,468	1.37
2026	5,273,929	(263,696)	-	-	20,499	-	-	-	5,030,732	1,474,611	411,086	201,229	201,229	2,943,806	158,171	2,785,635	-	-	2,785,635	1.39
2027	5,379,408	(268,970)	-	-	20,909	-	-	-	5,131,347	1,518,849	423,419	205,254	205,254	2,983,825	162,916	2,820,909	-	-	2,820,909	1.40
2028	5,486,996	(274,350)	-	-	21,327	-	-	-	5,233,973	1,564,414	436,122	209,359	209,359	3,024,078	167,804	2,856,274	-	-	2,856,274	1.42
2029	5,596,736	(279,837)	-	-	21,754	-	-	-	5,338,653	1,611,346	449,206	213,546	213,546	3,064,555	172,838	2,891,717	-	-	2,891,717	1.44
2030	5,708,671	(285,434)	-	-	22,189	-	-	-	5,445,426	1,659,686	462,682	217,817	217,817	3,105,241	178,023	2,927,218	-	-	2,927,218	1.46
2031	5,822,844	(291,142)	-	-	22,633	-	-	-	5,554,335	1,709,477	476,562	222,173	222,173	3,146,123	183,364	2,962,759	-	-	2,962,759	1.48
2032	5,939,301	(296,965)	-	-	23,086	-	-	-	5,665,422	1,760,761	490,859	226,617	226,617	3,187,185	188,865	2,998,320	-	-	2,998,320	1.49

CASH WATERFALL

	1		2		3		4		5		6		7		8		9			
	Capital One / FHA		LP Asset Mgmt Fee		Deferred Developer Fee		GP Pship Mgmt Fee		Incentive Management Fee		0		0		0		0			
	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow		
	4	5	6	7	8	9 #	11	12 #	14	15 #	17	18 #	20	21 #	23	24 #	26	27 #	29	30 #
2017	838,712	836,629	2,083	2,083	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	
2018	2,508,487	2,007,910	500,577	5,150	495,427	495,427	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	
2019	2,542,520	2,007,910	534,610	5,305	529,305	529,305	-	-	-	-	-	-	-	-	-	-	-	-	-	
2020	2,576,751	2,007,910	568,841	5,464	563,377	270,958	292,419	-	292,419	263,177	29,242	-	29,242	-	29,242	-	29,242	-	29,242	
2021	2,611,169	2,007,910	603,259	5,628	597,631	-	597,631	-	597,631	537,868	59,763	-	59,763	-	59,763	-	59,763	-	59,763	
2022	2,645,762	2,007,910	637,852	5,796	632,056	-	632,056	-	632,056	557,714	74,342	-	74,342	-	74,342	-	74,342	-	74,342	
2023	2,680,519	2,007,910	672,609	5,970	666,639	-	666,639	-	666,639	568,869	97,770	-	97,770	-	97,770	-	97,770	-	97,770	
2024	2,715,426	2,007,910	707,516	6,149	701,367	-	701,367	-	701,367	580,246	121,121	-	121,121	-	121,121	-	121,121	-	121,121	
2025	2,750,468	2,007,910	742,558	6,334	736,224	-	736,224	-	736,224	591,851	144,373	-	144,373	-	144,373	-	144,373	-	144,373	
2026	2,785,635	2,007,910	777,725	6,524	771,201	-	771,201	-	771,201	603,688	167,513	-	167,513	-	167,513	-	167,513	-	167,513	
2027	2,820,909	2,007,910	812,999	6,720	806,279	-	806,279	-	806,279	615,762	190,517	-	190,517	-	190,517	-	190,517	-	190,517	
2028	2,856,274	2,007,910	848,364	6,921	841,443	-	841,443	-	841,443	628,077	213,366	-	213,366	-	213,366	-	213,366	-	213,366	
2029	2,891,717	2,007,910	883,807	7,129	876,678	-	876,678	-	876,678	640,638	236,040	-	236,040	-	236,040	-	236,040	-	236,040	
2030	2,927,218	2,007,910	919,308	7,343	911,965	-	911,965	-	911,965	653,451	258,514	-	258,514	-	258,514	-	258,514	-	258,514	
2031	2,962,759	2,007,910	954,849	7,563	947,286	-	947,286	-	947,286	666,520	280,766	-	280,766	-	280,766	-	280,766	-	280,766	
2032	2,998,320	2,007,910	990,410	7,790	982,620	-	982,620	-	982,620	679,851	302,769	-	302,769	-	302,769	-	302,769	-	302,769	
2033	3,033,882	2,007,910	1,025,972	8,024	1,017,948	-	1,017,948	-	1,017,948	693,448	324,500	-	324,500	-	324,500	-	324,500	-	324,500	
2034	3,069,423	2,007,910	1,061,513	8,264	1,053,249	-	1,053,249	-	1,053,249	707,317	345,932	-	345,932	-	345,932	-	345,932	-	345,932	

10		11		12		13		14		15		16		17				Cash Flow to	
0	Cash Flow	0	Cash Flow	0	Cash Flow	0	Cash Flow	GP Loan	Cash Flow	Operating / Other Reserve	Cash Flow	Other Fee 1	Cash Flow	Other Fee 2	Cash Flow	From Reserves	Cash Flow	Cash Flow to Limited Partner	Cash Flow to Special Limited Partner
32	33 #	35	36 #	38	39 #	41	42 #	44	45 #	47	48 #	50	51 #	53	54				
-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	-
-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	(0)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	29,242	-	29,242	-	29,242	-	29,242	-	29,242	-	29,242	-	29,242	-	29,242	-	29,242	2,924	-
-	59,763	-	59,763	-	59,763	-	59,763	-	59,763	-	59,763	-	59,763	-	59,763	-	59,763	5,976	-
-	74,342	-	74,342	-	74,342	-	74,342	-	74,342	-	74,342	-	74,342	-	74,342	-	74,342	7,434	-
-	97,770	-	97,770	-	97,770	-	97,770	-	97,770	-	97,770	-	97,770	-	97,770	-	97,770	9,777	-
-	121,121	-	121,121	-	121,121	-	121,121	-	121,121	-	121,121	-	121,121	-	121,121	-	121,121	12,112	-
-	144,373	-	144,373	-	144,373	-	144,373	-	144,373	-	144,373	-	144,373	-	144,373	-	144,373	14,437	-
-	167,513	-	167,513	-	167,513	-	167,513	-	167,513	-	167,513	-	167,513	-	167,513	-	167,513	16,751	-
-	190,517	-	190,517	-	190,517	-	190,517	-	190,517	-	190,517	-	190,517	-	190,517	-	190,517	19,052	-
-	213,366	-	213,366	-	213,366	-	213,366	-	213,366	-	213,366	-	213,366	-	213,366	-	213,366	21,337	-
-	236,040	-	236,040	-	236,040	-	236,040	-	236,040	-	236,040	-	236,040	-	236,040	-	236,040	23,604	-
-	258,514	-	258,514	-	258,514	-	258,514	-	258,514	-	258,514	-	258,514	-	258,514	-	258,514	25,851	-
-	280,766	-	280,766	-	280,766	-	280,766	-	280,766	-	280,766	-	280,766	-	280,766	-	280,766	28,077	-
-	302,769	-	302,769	-	302,769	-	302,769	-	302,769	-	302,769	-	302,769	-	302,769	-	302,769	30,277	-
-	324,500	-	324,500	-	324,500	-	324,500	-	324,500	-	324,500	-	324,500	-	324,500	-	324,500	32,450	-
-	345,932	-	345,932	-	345,932	-	345,932	-	345,932	-	345,932	-	345,932	-	345,932	-	345,932	34,593	-

OPERATING RESERVE

Assumptions:		
Dev Budget Deposit	\$	947,361
Annual Cash Flow Deposit		-
Escalation		3.00%
Accrue if Unpaid?		No
Hard or Soft		Soft
Start Date (from operations)		Dec-18
Interest		2%
Withdrawn every	30	years
Release \$XXX	\$ -	Year (20X) 0
Min. DSCR for Release		1.15
Min. Reserve Balance		947,361.00

Schedule:								
Year	Cash Flow Deposit	Dev Bgt or Rent-Up Res Deposit	Interest	Reserve Release	To Operations	Balance	Op. Res. Annual Decline	DSCR
2017	-	-	-	-	-	-		1.25
2018	-	947,361	9,474	-	-	956,835	0%	1.25
2019	-	-	19,137	-	-	975,972	0%	1.27
2020	-	-	19,519	-	-	995,491	0%	1.28
2021	-	-	19,910	-	-	1,015,401	0%	1.30
2022	-	-	20,308	-	-	1,035,709	0%	1.32
2023	-	-	20,714	-	-	1,056,423	0%	1.33
2024	-	-	21,128	-	-	1,077,551	0%	1.35
2025	-	-	21,551	-	-	1,099,102	0%	1.37
2026	-	-	21,982	-	-	1,121,084	0%	1.39
2027	-	-	22,422	-	-	1,143,506	0%	1.40
2028	-	-	22,870	-	-	1,166,376		1.42
2029	-	-	23,328	-	-	1,189,704		1.44
2030	-	-	23,794	-	-	1,213,498		1.46
2031	-	-	24,270	-	-	1,237,768		1.48
2032	-	-	24,755	-	-	1,262,523		1.49
2033	-	-	25,250	-	-	1,287,773		1.51
2034	-	-	25,755	-	-	1,313,528		1.53
2035	-	-	26,271	-	-	1,339,799		1.55
2036	-	-	26,796	-	-	1,366,595		1.56
2037	-	-	27,332	-	-	1,393,927		1.58
2038	-	-	27,879	-	-	1,421,806		1.60
2039	-	-	28,436	-	-	1,450,242		1.62
2040	-	-	29,005	-	-	1,479,247		1.63
2041	-	-	29,585	-	-	1,508,832		1.65
2042	-	-	30,177	-	-	1,539,009		-

REPLACEMENT RESERVES

Assumptions:		
Annual Deposit	121,225	
Start Date	Aug-17	
Escalation	3%	
% Withdrawn	15%	
Withdrawn every	5	years
Interest	2%	

Schedule:					
Year	Cash Flow Deposit	Dev Bgt Deposit	Interest	Withdraws	Balance
2017	50,510	-		-	50,510
2018	124,862	-	2,259	-	177,631
2019	128,608	-	4,839	-	311,078
2020	132,466	-	7,546	-	451,090
2021	136,440		10,386	-	597,916
2022	140,533		13,364	89,687	662,126
2023	144,749		14,690	-	821,565
2024	149,091		17,922	-	988,578
2025	153,564		21,307	-	1,163,449
2026	158,171		24,851	-	1,346,471
2027	162,916		28,559	201,971	1,335,975
2028	167,804		28,398	-	1,532,177
2029	172,838		32,372	-	1,737,387
2030	178,023		36,528	-	1,951,938
2031	183,364		40,872	-	2,176,174
2032	188,865		45,412	326,426	2,084,025
2033	194,531		43,626	-	2,322,182
2034	200,366		48,447	-	2,570,995
2035	206,377		53,484	-	2,830,856
2036	212,569		58,743	-	3,102,168
2037	218,946		64,233	465,325	2,920,022
2038	225,514		60,656	-	3,206,192
2039	232,280		66,447	-	3,504,919
2040	239,248		72,491	-	3,816,658
2041	246,425		78,797	-	4,141,880
0	246,425		85,302	-	4,473,607

RENT UP RESERVE

Assumptions:

Principal -
Start Date (from operations) Dec-18
 Interest 2%

Release \$ at stabilization Date Aug-17
 Residual to.... Operating Reserve **Yes**
 Cash Flow **No**

Input
 -

Schedule:								Post- Withdraw
Year	Dev Bgt Deposit	Interest	Reserve Release	To Operations	Withdraw To Op Res	Pre-Withdraw Balance		
2017	-	-	-	-	-	-	-	
2018	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	
2020	-	-	-	-	-	-	-	
2021	-	-	-	-	-	-	-	
2022	-	-	-	-	-	-	-	
2023	-	-	-	-	-	-	-	
2024	-	-	-	-	-	-	-	
2025	-	-	-	-	-	-	-	
2026	-	-	-	-	-	-	-	
2027	-	-	-	-	-	-	-	
2028	-	-	-	-	-	-	-	
2029	-	-	-	-	-	-	-	
2030	-	-	-	-	-	-	-	
2031	-	-	-	-	-	-	-	
2032	-	-	-	-	-	-	-	
2033	-	-	-	-	-	-	-	
2034	-	-	-	-	-	-	-	
2035	-	-	-	-	-	-	-	
2036	-	-	-	-	-	-	-	
2037	-	-	-	-	-	-	-	
2038	-	-	-	-	-	-	-	
2039	-	-	-	-	-	-	-	
2040	-	-	-	-	-	-	-	
2041	-	-	-	-	-	-	-	
2042	-	-	-	-	-	-	-	

INVESTMENT BENEFIT SCHEDULE LIMITED PARTNER

Year	Investor Equity	Closing Cost	Federal LIHTC	Net State LIHTC Tax Credits	Federal HTC	Net State Historic Tax Credits	Adjusted Income / (Loss)	Tax Savings / (Expense)	Cash Flow	Total Benefit	Annual Net Benefit	Cumulative Net Benefits
2017	3,678,742	-	330,232	-	-	-	(148,410)	37,103	-	367,335	(3,311,406)	(3,311,406)
2018	5,777,667	-	1,604,907	-	-	-	(1,591,523)	397,881	-	2,002,788	(3,774,879)	(7,086,285)
2019	4,188,808	-	1,604,907	-	-	-	(970,454)	242,614	-	1,847,521	(2,341,287)	(9,427,572)
2020	866,650	-	1,604,907	-	-	-	(954,836)	238,709	2,924	1,846,540	979,890	(8,447,681)
2021	-	-	1,604,907	-	-	-	(1,045,619)	261,405	5,976	1,872,288	1,872,288	(6,575,393)
2022	-	-	1,604,907	-	-	-	(982,975)	245,744	7,434	1,858,085	1,858,085	(4,717,308)
2023	-	-	1,604,907	-	-	-	(920,799)	230,200	9,777	1,844,884	1,844,884	(2,872,424)
2024	-	-	1,604,907	-	-	-	(742,233)	185,558	12,112	1,802,577	1,802,577	(1,069,846)
2025	-	-	1,604,907	-	-	-	(677,099)	169,275	14,437	1,788,619	1,788,619	718,773
2026	-	-	1,604,907	-	-	-	(617,719)	154,430	16,751	1,776,088	1,776,088	2,494,861
2027	-	-	1,274,675	-	-	-	(580,958)	145,240	19,052	1,438,967	1,438,967	3,933,828
2028	-	-	0	-	-	-	(542,305)	135,576	21,337	156,913	156,913	4,090,741
2029	-	-	-	-	-	-	(453,665)	113,416	23,604	137,020	137,020	4,227,761
2030	-	-	-	-	-	-	(374,043)	93,511	25,851	119,362	119,362	4,347,123
2031	-	-	-	-	-	-	(308,771)	77,193	28,077	105,270	105,270	4,452,393
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	14,511,867	0	16,049,073	0	0	0	(10,911,409)	2,727,855	187,332	18,964,260	4,452,393	(19,242,433)
Disposition in Year		2032					(3,345,426)	836,356	0	836,356		836,356
Total	14,511,867	0	16,049,073	0	0	0	(14,256,835)	3,564,211	187,332	19,800,616	4,452,393	(18,406,077)

DEPRECIATION SCHEDULE - NON TAX EXEMPT USE

Depreciation Expense - Extended Life for Real Property 0.000%
 Depreciation Expense - Extended Life for Site Work 0.000%
 Depreciation Expense - Extended Life for Personal Property 0.000%

	Total	0% Acquisition Jun-10	100% Acquisition Aug-17	0% Rehab Dec-18	0% Rehab Apr-18	100% Rehab Dec-18	Bonus Depreciation Eligible?	Bonus Depreciation Percent	Bonus Cutoff Date
Real Property	47,229,283	-	36,038,293	-	-	11,190,990	No	50%	12/31/2009
Commercial-Acquired	-	-	-	-	-	-			
Commercial-Rehab	-	-	-	-	-	-			
Historic Credit	-	-	-	-	-	-			
Site Improvements	792,544	-	-	-	-	792,544	Yes	40%	12/31/2018
Personal Property	1,865,000	-	-	-	-	1,865,000	Yes	40%	12/31/2018
Basis	49,886,827	-	36,038,293	-	-	13,848,534			

Amount Accelerated

\$ 1,328,772 Loss (1/2 of Site & Pers Depr)
 \$ 14,511,867 Equity Loss if Not Obtained (Orig Equity - New Amount @ lower S/Cred)
 \$ 10,9213 Adjustor

Basically you play with the S/Cred to see what would maintain the same IRR with loss of Bonus Depr

	27.5	27.5	27.5	27.5	27.5	15	15	15	15	5	5	5	39	39	39	39	39	5	Total								
	Acquisition	Acquisition	Bonus Depreciation - Rehab	Bonus Depreciation - Rehab	Bonus Depreciation - Rehab	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Commercial-Acquired	Commercial-Acquired	Commercial-Rehab	Commercial-Rehab	Commercial-Rehab	Commercial-Rehab	Replacement Reserves	Total		
2017	-	491,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491,431	
2018	-	1,310,483	-	-	-	16,956	-	-	317,018	5,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,452,351	
2019	-	1,310,483	-	-	-	406,945	-	-	-	46,982	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,189,630	
2020	-	1,310,483	-	-	-	406,945	-	-	-	42,274	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,014,834	
2021	-	1,310,483	-	-	-	406,945	-	-	-	38,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,908,549	
2022	-	1,310,483	-	-	-	406,945	-	-	-	34,238	-	-	-	-	-	-	-	-	-	-	-	-	-	17,937	-	1,892,022	
2023	-	1,310,483	-	-	-	406,945	-	-	-	30,814	-	-	-	-	-	-	-	-	-	-	-	-	-	28,700	-	1,884,142	
2024	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	17,220	-	1,762,704	
2025	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	10,332	-	1,755,816	
2026	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	10,332	-	1,755,816	
2027	-	1,310,483	-	-	-	406,945	-	-	-	28,104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,560	1,791,092
2028	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,631	1,810,115
2029	-	1,310,483	-	-	-	406,945	-	-	-	28,104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,778	1,784,310
2030	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,267	1,768,751
2031	-	1,310,483	-	-	-	406,945	-	-	-	28,104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,267	1,768,799
2032	-	1,310,483	-	-	-	406,945	-	-	-	28,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,919	1,822,403
2033	-	1,310,483	-	-	-	406,945	-	-	-	24,585	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,456	1,846,469
2034	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62,674	1,780,102
2035	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,604	1,755,032
2036	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,604	1,755,032
2037	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,867	1,829,295
2038	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	148,904	1,866,332
2039	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,342	1,806,770
2040	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,605	1,771,033
2041	-	1,310,483	-	-	-	406,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,605	1,771,033

LOSS

	Net Operating Income	Interest on Invested Loan Proceeds	Interest Income	Capital One / FHA	Capital One / FHA MIP	0	0	0	0	0	0	0	0	GP Pship Mgmt Fee	Incentive Management Fee	LP Asset Mgmt Fee	Other Fee 1	Other Fee 2	Deferred Developer Fee	GP Loan	Depreciation	Funded Expense	Income / (Loss)	Initial Income / (Loss) to LP	Reallocation of Loss	Adjusted Income / (Loss) to LP	Initial Income / (Loss) to SLP	Reallocation of Loss	Adjusted Income / (Loss) to SLP
2017	1,097,229	-	-	587,257	-	-	-	-	-	-	-	-	-	-	2,083	-	-	-	-	-	491,431	164,882	(148,425)	(148,410)	-	(148,410)	-	-	-
2018	2,633,349	-	11,733	1,394,479	-	-	-	-	-	-	-	-	-	-	5,150	-	-	5,167	-	-	2,452,351	379,617	(1,591,683)	(1,591,523)	-	(1,591,523)	-	-	-
2019	2,671,128	-	23,976	1,372,787	-	-	-	-	-	-	-	-	-	-	5,305	-	-	37,493	-	-	2,189,630	60,439	(970,551)	(970,454)	-	(970,454)	-	-	-
2020	2,709,217	-	27,065	1,350,329	-	-	-	-	-	-	-	-	-	-	5,464	-	-	-	-	-	2,014,834	44,506	(954,932)	(954,836)	-	(954,836)	-	-	-
2021	2,747,609	-	30,296	1,327,077	-	-	-	-	-	-	-	-	-	-	5,628	-	-	-	-	-	1,908,549	44,506	(1,045,724)	(1,045,619)	-	(1,045,619)	-	-	-
2022	2,786,295	-	33,672	1,303,002	-	-	-	-	-	-	-	-	-	-	5,796	-	-	-	-	-	1,892,022	44,506	(983,074)	(982,975)	-	(982,975)	-	-	-
2023	2,825,268	-	35,404	1,278,076	-	-	-	-	-	-	-	-	-	-	5,970	-	-	-	-	-	1,884,142	44,506	(920,892)	(920,799)	-	(920,799)	-	-	-
2024	2,864,517	-	39,050	1,252,269	-	-	-	-	-	-	-	-	-	-	6,149	-	-	-	-	-	1,762,704	44,506	(742,308)	(742,233)	-	(742,233)	-	-	-
2025	2,904,032	-	42,858	1,225,549	-	-	-	-	-	-	-	-	-	-	6,334	-	-	-	-	-	1,755,816	44,506	(677,167)	(677,099)	-	(677,099)	-	-	-
2026	2,943,806	-	46,833	1,197,885	-	-	-	-	-	-	-	-	-	-	6,524	-	-	-	-	-	1,755,816	44,506	(617,781)	(617,719)	-	(617,719)	-	-	-
2027	2,983,825	-	50,981	1,169,242	-	-	-	-	-	-	-	-	-	-	6,720	-	-	-	-	-	1,791,092	33,006	(581,017)	(580,958)	-	(580,958)	-	-	-
2028	3,024,078	-	51,268	1,139,586	-	-	-	-	-	-	-	-	-	-	6,921	-	-	-	-	-	1,810,115	33,006	(542,360)	(542,305)	-	(542,305)	-	-	-
2029	3,064,555	-	55,700	1,108,882	-	-	-	-	-	-	-	-	-	-	7,129	-	-	-	-	-	1,784,310	33,006	(453,711)	(453,665)	-	(453,665)	-	-	-
2030	3,105,241	-	60,322	1,077,092	-	-	-	-	-	-	-	-	-	-	7,343	-	-	-	-	-	1,768,751	33,006	(374,081)	(374,043)	-	(374,043)	-	-	-
2031	3,146,123	-	65,142	1,044,178	-	-	-	-	-	-	-	-	-	-	7,563	-	-	-	-	-	1,768,799	33,006	(308,802)	(308,771)	-	(308,771)	-	-	-
2032	3,187,185	-	70,167	1,010,100	-	-	-	-	-	-	-	-	-	-	7,790	-	-	-	-	-	1,822,403	26,662	(289,454)	-	-	-	-	-	-
2033	3,228,413	-	68,876	974,816	-	-	-	-	-	-	-	-	-	-	8,024	-	-	-	-	-	1,846,469	17,780	(243,248)	-	-	-	-	-	-
2034	3,269,789	-	74,202	938,286	-	-	-	-	-	-	-	-	-	-	8,264	-	-	-	-	-	1,780,102	17,780	(107,758)	-	-	-	-	-	-

CAPITAL ACCOUNT ANALYSIS

Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital		Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
		Contributions	Syndication Costs							
2017	(148,425)	3,678,742	(67,700)	(148,410)	-	-	3,462,632	-	-	3,462,632
2018	(1,591,683)	5,777,667		(1,591,523)	-	-	7,648,776	-	-	7,648,776
2019	(970,551)	4,188,808		(970,454)	-	-	10,867,130	-	-	10,867,130
2020	(954,932)	866,650		(954,836)	-	2,924	10,776,020	-	-	10,776,020
2021	(1,045,724)	-		(1,045,619)	-	5,976	9,724,425	-	-	9,724,425
2022	(983,074)	-		(982,975)	-	7,434	8,734,016	-	-	8,734,016
2023	(920,892)	-		(920,799)	-	9,777	7,803,440	-	-	7,803,440
2024	(742,308)	-		(742,233)	-	12,112	7,049,095	-	-	7,049,095
2025	(677,167)	-		(677,099)	-	14,437	6,357,559	-	-	6,357,559
2026	(617,781)	-		(617,719)	-	16,751	5,723,089	-	-	5,723,089
2027	(581,017)	-		(580,958)	-	19,052	5,123,079	-	-	5,123,079
2028	(542,360)	-		(542,305)	-	21,337	4,559,437	-	-	4,559,437
2029	(453,711)	-		(453,665)	-	23,604	4,082,168	-	-	4,082,168
2030	(374,081)	-		(374,043)	-	25,851	3,682,274	-	-	3,682,274
2031	(308,802)	-		(308,771)	-	28,077	3,345,426	-	-	3,345,426
2032	(289,454)	-		-	-	-	3,345,426	-	-	3,345,426
2033	(243,248)	-		-	-	-	3,345,426	-	-	3,345,426
2034	(107,758)	-		-	-	-	3,345,426	-	-	3,345,426
2035	(12,200)	-		-	-	-	3,345,426	-	-	3,345,426

CAPITAL ACCOUNT ANALYSIS

Special Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital		Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
		Contributions	Syndication Costs							
2017	(148,425)	-		-	-	-	-	-	-	-
2018	(1,591,683)	-		-	-	-	-	-	-	-
2019	(970,551)	-		-	-	-	-	-	-	-
2020	(954,932)	-		-	-	-	-	-	-	-
2021	(1,045,724)	-		-	-	-	-	-	-	-
2022	(983,074)	-		-	-	-	-	-	-	-
2023	(920,892)	-		-	-	-	-	-	-	-
2024	(742,308)	-		-	-	-	-	-	-	-
2025	(677,167)	-		-	-	-	-	-	-	-
2026	(617,781)	-		-	-	-	-	-	-	-
2027	(581,017)	-		-	-	-	-	-	-	-
2028	(542,360)	-		-	-	-	-	-	-	-
2029	(453,711)	-		-	-	-	-	-	-	-
2030	(374,081)	-		-	-	-	-	-	-	-
2031	(308,802)	-		-	-	-	-	-	-	-
2032	(289,454)	32,143,533		-	-	-	32,143,533	-	-	32,143,533
2033	(243,248)	-		-	-	-	32,143,533	-	-	32,143,533
2034	(107,758)	-		-	-	-	32,143,533	-	-	32,143,533
2035	(12,200)	-		-	-	-	32,143,533	-	-	32,143,533

CALCULATION OF MINIMUM GAIN
Nonrecourse Liabilities

	Replacement Reserves Collateral for Loan	Reserves other than Replacement Reserves Collateral for Loan				CALCULATION OF MINIMUM GAIN										Total Nonrecourse Liabilities	Minimum Gain	
	Yes	1 Yes	1	1	1	Capital One / FHA	0	0	0	0	0	0	0	0	0			
	Historic Credit	Original Net Assets	Capital Replacement & Operating Reserve Balance	Cumulative Asset Additions	Accumulated Depreciation	Net Assets												
2017		55,032,162	50,510	-	491,431	54,591,241	40,350,628	-	-	-	-	-	-	-	-	-	40,350,628	-
2018	-	55,032,162	1,134,466	-	2,943,782	53,222,846	39,737,197	-	-	-	-	-	-	-	-	-	39,737,197	-
2019	-	55,032,162	1,287,050	-	5,133,413	51,185,800	39,102,074	-	-	-	-	-	-	-	-	-	39,102,074	-
2020	-	55,032,162	1,446,581	-	7,148,247	49,330,496	38,444,493	-	-	-	-	-	-	-	-	-	38,444,493	-
2021	-	55,032,162	1,613,317	-	9,056,797	47,588,683	37,763,660	-	-	-	-	-	-	-	-	-	37,763,660	-
2022	-	55,032,162	1,697,835	89,687	10,948,819	45,870,865	37,058,752	-	-	-	-	-	-	-	-	-	37,058,752	-
2023	-	55,032,162	1,877,988	89,687	12,832,962	44,166,876	36,328,918	-	-	-	-	-	-	-	-	-	36,328,918	-
2024	-	55,032,162	2,066,129	89,687	14,595,666	42,592,312	35,573,277	-	-	-	-	-	-	-	-	-	35,573,277	-
2025	-	55,032,162	2,262,551	89,687	16,351,483	41,032,918	34,790,916	-	-	-	-	-	-	-	-	-	34,790,916	-
2026	-	55,032,162	2,467,555	89,687	18,107,299	39,482,105	33,980,891	-	-	-	-	-	-	-	-	-	33,980,891	-
2027	-	55,032,162	2,479,481	291,658	19,898,392	37,904,910	33,142,223	-	-	-	-	-	-	-	-	-	33,142,223	-
2028	-	55,032,162	2,698,553	291,658	21,708,507	36,313,866	32,273,899	-	-	-	-	-	-	-	-	-	32,273,899	-
2029	-	55,032,162	2,927,091	291,658	23,492,817	34,758,094	31,374,871	-	-	-	-	-	-	-	-	-	31,374,871	-
2030	-	55,032,162	3,165,436	291,658	25,261,569	33,227,687	30,444,053	-	-	-	-	-	-	-	-	-	30,444,053	-
2031	-	55,032,162	3,413,942	291,658	27,030,368	31,707,394	29,480,321	-	-	-	-	-	-	-	-	-	29,480,321	-
2032	-	55,032,162	3,346,548	618,084	28,852,772	30,144,022	28,482,511	-	-	-	-	-	-	-	-	-	28,482,511	-
2033	-	55,032,162	3,609,955	618,084	30,699,241	28,560,960	27,449,417	-	-	-	-	-	-	-	-	-	27,449,417	-
2034	-	55,032,162	3,884,523	618,084	32,479,344	27,055,426	26,379,793	-	-	-	-	-	-	-	-	-	26,379,793	-
2035	-	55,032,162	4,170,655	618,084	34,234,376	25,586,525	25,272,346	-	-	-	-	-	-	-	-	-	25,272,346	-

SALES ANALYSIS					
12/31/2031					
		\$1 Over Mortgage		Capped NOI	
		LP Investor	SLP Investor	LP Investor	SLP Investor
Sales Price		29,480,322	29,480,322	34,956,922	34,956,922
Capital One / FHA		29,480,321	29,480,321	29,480,321	29,480,321
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
Deferred Developer Fee		-	-	-	-
GP Loan		-	-	-	-
Selling Expenses to LP			-	1,048,708	1,048,708
Selling Expenses to GP/Other				1,048,708	1,048,708
Net Proceeds		1	1	3,379,185	3,379,185
Return of Capital		-	-	-	-
Net Sales Proceeds to LP/SLP	10.00%	-	0.00%	337,919	-
Plus Sales Commission to LP				1,048,708	
Total Proceeds to LP/SLP		-	-	1,386,627	-
Capital Contributions		14,511,867	-	14,511,867	-
Syndication Costs		(67,700)	-	(67,700)	-
Income / (Loss)		(10,911,409)	-	(10,911,409)	-
Cash from Operations		(187,332)	-	(187,332)	-
Historic Credit		-	-	-	-
Cash from Sale		-	-	(1,386,627)	-
Gain / (Loss) on Investment		(3,345,426)	-	(1,958,799)	-
Tax Savings / (Expense)		836,356	-	489,700	-

AMORTIZATION SCHEDULE

Capital One / FHA

Principal	40,600,000
Interest Rate	3.48%
MIP	0.00%
Amortizable Term	420
Hard or Soft	Hard
Start Date	Aug-17
 Monthly Payment	 167,325.87

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2017	-	836,629	249,372	587,257	40,350,628	-
2018	-	2,007,910	613,431	1,394,479	39,737,197	-
2019	-	2,007,910	635,123	1,372,787	39,102,074	-
2020	-	2,007,910	657,581	1,350,329	38,444,493	-
2021	-	2,007,910	680,833	1,327,077	37,763,660	-
2022	-	2,007,910	704,908	1,303,002	37,058,752	-
2023	-	2,007,910	729,834	1,278,076	36,328,918	-
2024	-	2,007,910	755,641	1,252,269	35,573,277	-
2025	-	2,007,910	782,361	1,225,549	34,790,916	-
2026	-	2,007,910	810,025	1,197,885	33,980,891	-
2027	-	2,007,910	838,668	1,169,242	33,142,223	-
2028	-	2,007,910	868,324	1,139,586	32,273,899	-
2029	-	2,007,910	899,028	1,108,882	31,374,871	-
2030	-	2,007,910	930,818	1,077,092	30,444,053	-
2031	-	2,007,910	963,732	1,044,178	29,480,321	29,480,321
2032	-	2,007,910	997,810	1,010,100	28,482,511	-
2033	-	2,007,910	1,033,094	974,816	27,449,417	-
2034	-	2,007,910	1,069,624	938,286	26,379,793	-
2035	-	2,007,910	1,107,447	900,463	25,272,346	-
2036	-	2,007,910	1,146,606	861,304	24,125,740	-
2037	-	2,007,910	1,187,151	820,759	22,938,589	-
2038	-	2,007,910	1,229,129	778,781	21,709,460	-
2039	-	2,007,910	1,272,592	735,318	20,436,868	-
2040	-	2,007,910	1,317,591	690,319	19,119,277	-
2041	-	2,007,910	1,364,182	643,728	17,755,095	-
2042	-	2,007,910	1,364,182	643,728	17,755,095	-

RESIDUAL ANALYSIS

LIHTC Income Escalation	3.00%
Market Income Escalation	3.00%
Other Income Escalation	3.00%
Commercial Income Escalation	3.00%
Operating Expense Escalation	3.00%
Real Estate Tax Expense Escalation	3.00%
Property Management Fee	4.00%
LIHTC Vacancy	5.00%
Market Vacancy	7.00%
Other Vacancy	5.00%
Commercial Vacancy	10.00%
Cap Rate	9.00%
Asset Mgt Fee Escalation	3%
GP Mgt Fee Escalation	3%

	LIHTC Income	LIHTC Vacancy	Market Income	Market Vacancy	Other Income	Other Vacancy	Commercial Income	Commercial Vacancy	Net Receipts	Operating Expenses	Real Estate Taxes	Property Management	Net Operating Income	Placement Reserves	Cash Flow	To Dev Budget	From Reserves	Cash Flow	Cash Flow+ Reserves
2017	1,875,520	(93,776)	-	-	7,290	(365)	-	-	1,788,669	485,030	135,215	71,547	1,096,877	50,510	1,046,367	208,007	-	838,360	1,046,367
2018	4,501,248	#####	-	-	17,496	(875)	-	-	4,292,807	1,164,072	324,516	171,712	2,632,507	128,608	2,503,899	-	-	2,503,899	2,503,899
2019	4,501,248	#####	-	-	17,496	(875)	-	-	4,292,807	1,164,072	324,516	171,712	2,632,507	132,466	2,500,041	-	-	2,500,041	2,500,041
2020	4,501,248	#####	-	-	17,496	(875)	-	-	4,292,807	1,164,072	324,516	171,712	2,632,507	136,440	2,496,067	-	-	2,496,067	2,496,067
2021	4,636,298	#####	-	-	18,025	(901)	-	-	4,421,607	1,198,962	334,256	176,864	2,711,525	140,533	2,570,992	-	-	2,570,992	2,570,992
2022	4,775,387	#####	-	-	18,566	(928)	-	-	4,554,256	1,234,931	344,284	182,170	2,792,871	144,749	2,648,122	-	-	2,648,122	2,648,122
2023	4,918,649	#####	-	-	19,123	(956)	-	-	4,690,884	1,271,979	354,613	187,635	2,876,657	149,091	2,727,566	-	-	2,727,566	2,727,566
2024	5,066,208	#####	-	-	19,697	(985)	-	-	4,831,610	1,310,138	365,251	193,264	2,962,957	153,564	2,809,393	-	-	2,809,393	2,809,393
2025	5,218,194	#####	-	-	20,288	(1,014)	-	-	4,976,558	1,349,442	376,209	199,062	3,051,845	158,171	2,893,674	-	-	2,893,674	2,893,674
2026	5,374,740	#####	-	-	20,897	(1,045)	-	-	5,125,855	1,389,925	387,495	205,034	3,143,401	162,916	2,980,485	-	-	2,980,485	2,980,485
2027	5,535,982	#####	-	-	21,524	(1,076)	-	-	5,279,631	1,431,623	399,120	211,185	3,237,703	167,804	3,069,899	-	-	3,069,899	3,069,899
2028	5,702,061	#####	-	-	22,170	(1,109)	-	-	5,438,019	1,474,572	411,094	217,521	3,334,832	172,838	3,161,994	-	-	3,161,994	3,161,994
2029	5,873,123	#####	-	-	22,835	(1,142)	-	-	5,601,160	1,518,809	423,427	224,046	3,434,878	178,023	3,256,855	-	-	3,256,855	3,256,855
2030	6,049,317	#####	-	-	23,520	(1,176)	-	-	5,769,195	1,564,373	436,130	230,768	3,537,924	183,364	3,354,560	-	-	3,354,560	3,354,560
2031	6,230,797	#####	-	-	24,226	(1,211)	-	-	5,942,272	1,611,304	449,214	237,691	3,644,063	188,865	3,455,198	-	-	3,455,198	3,455,198
2032	6,417,721	#####	-	-	24,953	(1,248)	-	-	6,120,540	1,659,643	462,690	244,822	3,753,385	194,531	3,558,854	-	-	3,558,854	3,558,854
2033	6,610,253	#####	-	-	25,702	(1,285)	-	-	6,304,157	1,709,432	476,571	252,166	3,865,988	200,366	3,665,622	-	-	3,665,622	3,665,622
2034	6,808,561	#####	-	-	26,473	(1,324)	-	-	6,493,282	1,760,715	490,868	259,731	3,981,968	206,377	3,775,591	-	-	3,775,591	3,775,591
2035	7,012,818	#####	-	-	27,267	(1,363)	-	-	6,688,081	1,813,536	505,594	267,523	4,101,428	212,569	3,888,859	-	-	3,888,859	3,888,859
2036	7,223,203	#####	-	-	28,085	(1,404)	-	-	6,888,724	1,867,942	520,762	275,549	4,224,471	218,946	4,005,525	-	-	4,005,525	4,005,525
2037	7,439,899	#####	-	-	28,928	(1,446)	-	-	7,095,386	1,923,980	536,385	283,815	4,351,206	225,514	4,125,692	-	-	4,125,692	4,125,692
2038	7,663,096	#####	-	-	29,796	(1,490)	-	-	7,308,247	1,981,699	552,477	292,330	4,481,741	232,280	4,249,461	-	-	4,249,461	4,249,461
2039	7,892,989	#####	-	-	30,690	(1,535)	-	-	7,527,495	2,041,150	569,051	301,100	4,616,194	239,248	4,376,946	-	-	4,376,946	4,376,946
2040	8,129,779	#####	-	-	31,611	(1,581)	-	-	7,753,320	2,102,385	586,123	310,133	4,754,679	246,425	4,508,254	-	-	4,508,254	4,508,254
2041	8,373,672	#####	-	-	32,559	(1,628)	-	-	7,985,919	2,165,457	603,707	319,437	4,897,318	253,818	4,643,500	-	-	4,643,500	4,643,500
2042	8,624,882	#####	-	-	33,536	(1,677)	-	-	8,225,497	2,230,421	621,818	329,020	5,044,238	261,433	4,782,805	-	-	4,782,805	4,782,805
2043	8,883,628	#####	-	-	34,542	(1,727)	-	-	8,472,262	2,297,334	640,473	338,890	5,195,565	269,276	4,926,289	-	-	4,926,289	4,926,289
2044	9,150,137	#####	-	-	35,578	(1,779)	-	-	8,726,429	2,366,254	659,687	349,057	5,351,431	277,354	5,074,077	-	-	5,074,077	5,074,077
2045	9,424,641	#####	-	-	36,645	(1,832)	-	-	8,988,222	2,437,242	679,478	359,529	5,511,973	285,675	5,226,298	-	-	5,226,298	5,226,298
2046	9,707,380	#####	-	-	37,744	(1,887)	-	-	9,257,868	2,510,359	699,862	370,315	5,677,332	294,245	5,383,087	-	-	5,383,087	5,383,087
2047	9,998,601	#####	-	-	38,876	(1,944)	-	-	9,535,603	2,585,670	720,858	381,424	5,847,651	303,072	5,544,579	-	-	5,544,579	5,544,579
2048	#####	#####	-	-	40,042	(2,002)	-	-	9,821,671	2,663,240	742,484	392,867	6,023,080	312,164	5,710,916	#####	-	7,410,106	7,410,106
2049	#####	#####	-	-	41,243	(2,062)	-	-	10,116,321	2,743,137	764,759	404,653	6,203,772	321,529	5,882,243	-	-	5,882,243	5,882,243
2050	#####	#####	-	-	42,480	(2,124)	-	-	10,419,810	2,825,431	787,702	416,792	6,389,885	331,175	6,058,710	-	-	6,058,710	6,058,710
2051	#####	#####	-	-	43,754	(2,188)	-	-	10,732,403	2,910,194	811,333	429,296	6,581,580	341,110	6,240,470	-	-	6,240,470	6,240,470
2052	#####	#####	-	-	45,067	(2,253)	-	-	11,054,376	2,997,500	835,673	442,175	6,779,028	351,344	6,427,684	-	-	6,427,684	6,427,684
2053	#####	#####	-	-	46,419	(2,321)	-	-	11,386,007	3,087,425	860,743	455,440	6,982,399	361,884	6,620,515	-	-	6,620,515	6,620,515
2054	#####	#####	-	-	47,812	(2,391)	-	-	11,727,588	3,180,048	886,565	469,104	7,191,871	372,741	6,819,130	-	-	6,819,130	6,819,130
2055	#####	#####	-	-	49,246	(2,462)	-	-	12,079,417	3,275,449	913,162	483,177	7,407,629	383,923	7,023,706	-	-	7,023,706	7,023,706
2056	#####	#####	-	-	50,723	(2,536)	-	-	12,441,799	3,373,712	940,557	497,672	7,629,858	395,441	7,234,417	-	-	7,234,417	7,234,417
2057	#####	#####	-	-	52,245	(2,612)	-	-	12,815,053	3,474,923	968,774	512,602	7,858,754	407,304	7,451,450	-	-	7,451,450	7,451,450
2058	#####	#####	-	-	53,812	(2,691)	-	-	13,199,504	3,579,171	997,837	527,980	8,094,516	419,523	7,674,993	-	-	7,674,993	7,674,993
2059	#####	#####	-	-	55,426	(2,771)	-	-	13,595,489	3,686,546	1,027,772	543,820	8,337,351	432,109	7,905,242	-	-	7,905,242	7,905,242
2060	#####	#####	-	-	57,089	(2,854)	-	-	14,003,354	3,797,142	1,058,605	560,134	8,587,473	445,072	8,142,401	-	-	8,142,401	8,142,401
2061	#####	#####	-	-	58,802	(2,940)	-	-	14,423,454	3,911,056	1,090,363	576,938	8,845,097	458,424	8,386,673	-	-	8,386,673	8,386,673
2062	#####	#####	-	-	60,566	(3,028)	-	-	14,856,157	4,028,388	1,123,074	594,246	9,110,449	472,177	8,638,272	-	-	8,638,272	8,638,272
2063	#####	#####	-	-	62,383	(3,119)	-	-	15,301,842	4,149,240	1,156,766	612,074	9,383,762	486,342	8,897,420	-	-	8,897,420	8,897,420
2064	#####	#####	-	-	64,254	(3,213)	-	-	15,760,897	4,273,717	1,191,469	630,436	9,665,275	500,932	9,164,343	-	-	9,164,343	9,164,343
2065	#####	#####	-	-	66,182	(3,309)	-	-	16,233,725	4,401,929	1,227,213	649,349	9,955,234	515,960	9,439,274	-	-	9,439,274	9,439,274
2066	#####	#####	-	-	68,167	(3,408)	-	-	16,720,736	4,533,987	1,264,029	668,829	10,253,891	531,439	9,722,452	-	-	9,722,452	9,722,452

0

RESIDUAL ANALYSIS

LIHTC <i>Income Escalation</i>	3.00%
Market <i>Income Escalation</i>	3.00%
Other <i>Income Escalation</i>	3.00%
Commercial <i>Income Escalation</i>	3.00%
Operating <i>Expense Escalation</i>	3.00%
Real Estate Tax <i>Expense Escalation</i>	3.00%
Property Management Fee	4.00%
LIHTC <i>Vacancy</i>	5.00%
Market <i>Vacancy</i>	7.00%
Other <i>Vacancy</i>	5.00%
Commercial <i>Vacancy</i>	10.00%
Cap Rate	9.00%
Asset Mgt Fee <i>Escalation</i>	3%
GP Mgt Fee <i>Escalation</i>	3%

	LIHTC Income	LIHTC Vacancy	Market Income	Market Vacancy	Other Income	Other Vacancy	Commercial Income	Commercial Vacancy	Net Receipts	Operating Expenses	Real Estate Taxes	Property Management	Net Operating Income	Placement Reserves	Cash Flow	To Dev Budget	From Reserves	Cash Flow	Cash Flow+ Reserves
2067	#####	#####	-	-	70,212	(3,511)	-	-	17,222,357	4,670,007	1,301,950	688,894	10,561,506	547,382	10,014,124	-	-	10,014,124	10,014,124
2068	#####	#####	-	-	72,318	(3,616)	-	-	17,739,028	4,810,107	1,341,009	709,561	10,878,351	563,804	10,314,547	-	-	10,314,547	10,314,547
2069	#####	#####	-	-	74,488	(3,724)	-	-	18,271,199	4,954,410	1,381,239	730,848	11,204,702	580,718	10,623,984	-	-	10,623,984	10,623,984
2070	#####	#####	-	-	76,723	(3,836)	-	-	18,819,336	5,103,042	1,422,676	752,773	11,540,845	598,139	10,942,706	-	-	10,942,706	10,942,706
2071	#####	#####	-	-	79,025	(3,951)	-	-	19,383,916	5,256,133	1,465,356	775,357	11,887,070	616,083	11,270,987	-	-	11,270,987	11,270,987
2072	#####	#####	-	-	81,396	(4,070)	-	-	19,965,433	5,413,817	1,509,317	798,617	12,243,682	634,566	11,609,116	-	-	11,609,116	11,609,116
2073	#####	#####	-	-	83,838	(4,192)	-	-	20,564,397	5,576,232	1,554,597	822,576	12,610,992	653,603	11,957,389	-	-	11,957,389	11,957,389
2074	#####	#####	-	-	86,353	(4,318)	-	-	21,181,329	5,743,519	1,601,235	847,253	12,989,322	673,211	12,316,111	-	-	12,316,111	12,316,111
2075	#####	#####	-	-	88,944	(4,447)	-	-	21,816,769	5,915,825	1,649,272	872,671	13,379,001	693,407	12,685,594	-	-	12,685,594	12,685,594
2076	#####	#####	-	-	91,612	(4,581)	-	-	22,471,271	6,093,300	1,698,750	898,851	13,780,370	714,210	13,066,160	-	-	13,066,160	13,066,160
2077	#####	#####	-	-	94,360	(4,718)	-	-	23,145,410	6,276,099	1,749,713	925,816	14,193,782	735,636	13,458,146	-	-	13,458,146	13,458,146
2078	#####	#####	-	-	97,191	(4,860)	-	-	23,839,772	6,464,382	1,802,204	953,591	14,619,595	757,705	13,861,890	60,349	-	13,922,239	13,922,239
2079	#####	#####	-	-	100,107	(5,005)	-	-	24,554,966	6,658,313	1,856,270	982,199	15,058,184	-	15,058,184	-	-	15,058,184	15,058,184

Market	BRs	Units	Mkt Rents	
			Current	Future
0		0	2017	0
1		279		-
2		94		-
3		0		-
4		0		-
5		0		-
6		0		-
7		0		-
		373		-

Valuation Year	2053
Convert to Mkt	No
Conversion Year	2045
Conversion Mult	0

NOI in Valuation Year	6,620,515
Cap Rate	9.00%
NOI Value	73,561,278
Reserves	6,779,971
Total Value	80,341,249

Debt	
Capital One / FHA	-
0	-
0	-
0	-
0	-
0	-
0	-
0	-
0	-
GP Loan	-
Total Debt	-
Residual Value	80,341,249

CONSTRUCTION BUDGET

[attach sources/uses from initial economic projections]

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	14,511,867						
Capital One / FHA	40,600,000						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	829,498						
Cashflow From Operations	208,007						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	1,240,127						
GP Loan	-						
TOTAL SOURCES OF FUNDS	57,389,499						
Surplus (Deficit)	-						
ACQUISITION COSTS							
Acquisition Land	3,700,000	x	x	x	x	x	3,700,000
Acquisition Building	34,300,000	34,300,000	34,300,000	x	x	x	x
Acquisition Building Commercial	-	-	x	x	x	x	x
Acquired Reserves	328,075	x	x	x	x	x	328,075
Other Acquisition Costs	946,462	-	-	x	x	x	946,462
Other Acquisition Costs	-	-	-	x	x	x	-
HARD COSTS							
Construction	5,088,656	5,088,656	x	5,088,656	5,088,656	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	138,600	138,600	x	138,600	138,600	x	x
Contractor Profit	385,000	385,000	x	385,000	385,000	x	x
Performance Bonds	139,755	139,755	x	139,755	139,755	x	x
General Requirements	277,200	277,200	x	277,200	277,200	x	x
Furnishings	1,865,000	1,865,000	x	1,865,000	x	x	x
Site Improvements	792,544	792,544	x	792,544	x	x	-
Permits and Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 854,700	854,700	x	854,700	854,700	x	x
Commercial/Nonresidential Costs	-	-	x	x	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	-	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	-	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-
ARCHITECTURAL AND ENGINEERING							
Architect	200,000	200,000	x	200,000	200,000	x	x
Survey & Engineering	17,500	17,500	x	17,500	17,500	x	x
Environmental	-	-	x	-	-	x	x
Soils	-	-	x	-	x	x	x
Other: PNA, Third Parties, Permits, Interior Design	168,750	168,750	-	168,750	-	-	-
SOFT COSTS							
Relocation	286,800	-	x	-	-	286,800	x
Appraisal	-	-	x	-	-	x	x
Market Study	-	-	-	-	-	-	-
Organizational	-	x	x	x	x	-	x
Professional	199,075	10,001	-	10,001	10,001	189,074	-
Accounting	-	-	-	-	-	x	x
Cost Certification	30,000	30,000	-	30,000	30,000	x	x
Construction Period Taxes	162,260	-	-	-	-	162,260	x
Construction Period Insurance	41,614	-	-	-	-	41,614	x
Marketing (monthly term if not 180 mths)	8	x	x	x	x	-	x
Contingency	40,000	40,000	-	-	40,000	x	x
Tax Credit Fees	115,000	x	x	x	x	115,000	x
Syndication	67,700	-	x	x	x	x	67,700
Other Soft: Depreciable Expenses	306,291	306,291	-	306,291	306,291	-	-
Other Soft: Funded/Non-Depreciable Expenses	39,236	-	-	-	-	39,319	(83)
FEES							
Developer Fee - Rehabilitation	2,744,999	2,744,999	x	2,744,999	2,744,999	x	-
Developer Fee - Acquisition	1,755,001	1,584,119	1,584,119	x	x	x	170,882
Other Consultant	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-
RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	-	x	x	x	x	x	-
Operating Reserve (No. Mths or Input)	3 947,361	x	x	x	x	x	947,361
Other Reserves	-	x	x	x	x	x	-
FINANCING							
Loan 1 - Fees and Legal	449,888	-	x	-	-	449,888	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	-	-	x	-	-	x	x
Other Loan Fees and Legal	296,032	237,711	154,174	83,537	-	58,321	x
Interest	-	-	-	-	-	-	x
Interest Override	706,000	706,000	-	706,000	706,000	-	x
TOTAL	57,389,499	49,886,827	36,038,293	13,808,533	10,938,702	1,342,276	6,160,397
Total Cost/Unit	\$153,859.25						
Hard Costs/Unit	\$23,288.90						
Total Cost/Square Footage	\$211.14						
50% Test							
Depreciable basis +Land		53,586,827					
Tax-exempt Bonds		33,000,000					
% of Eligible Basis & Land financed by Tax-Exempt Bonds		61.58%					
50% Test Met		Yes					
TOTAL	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	

ANNUAL OPERATING BUDGET

Operations Summary

	<u>Total</u>		<u>Haircut Operations</u>	
Potential Gross Residential Income				
LIHTC Income	4,501,260		0	Decrease by x%
Market Rate Income	0		0	
<i>Other Income</i>				
Laundry and Vending	15,000		-	
Tenant Charges	2,500		-	
0	-		-	
Effective Gross Residential Income	4,518,760		0	
 Residential Vacancy				
LIHTC Vacancy	5.00% (225,063)		0	
Market Rate Vacancy	7.00% 0		0	
Other Income Vacancy	0.00% 0		0	
Effective Gross Rental Income	4,293,697		0	
 Commercial Income				
Commercial Vacancy	0.00% 0		0	
Effective Gross Commercial Income	0		0	
 Total Effective Gross Income	4,293,697		0	
Less: Operating Expenses (incl. Taxes & Mgt Fees)	(1,660,309)		0	Increase by x%
Net Operating Income	2,633,388		0	
 Replacement Reserves	(121,225)		0	\$XXX per unit
Cash Flow avail for Debt Service	2,512,163		0	
Less: Debt Servicing Fees (if Applicable)	0		0	
Net Available for Debt Service after Fees	2,512,163		0	
 Debt Service	3.480% 2,007,910		2,007,910	
Debt Service Coverage Ratio (Net of Debt svc fees)	1.251		0.000	
 Expense Coverage Ratio	2.410112296			
 Maximum Loan Amount @	1.15 44,170,434		0	(44,170,434) (Gap)
Annual Payment	2,184,490		0	
 Breakeven Occupancy	84%			

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Upon Completion						Existing					
						Gross LIHTC	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent	Gross Rent	Utility Allowance	Net Rent	Monthly Rent	Annual Rent	
																	2.00%
LIHTC						Escalations	2.00%	Vacancy	5.00%								
50%	1	88	673	59,224	27,360	684	990	65	925	81,400	976,800				0.00	-	-
60%	1	43	673	28,939	32,840	821	990	65	925	39,775	477,300				0.00	-	-
60%	2	44	894	39,336	39,400	985	1,086	86	1,000	44,000	528,000				0.00	-	-
				-	-				-	-	-				0.00	-	-
50%	1	99	673	66,627	27,360	684	1,035	-	1,035	102,465	1,229,580				0.00	-	-
60%	1	49	673	32,977	30,240	756	1,035		1,035	50,715	608,580				0.00	-	-
60%	2	50	894	44,700	35,960	899	1,135		1,135	56,750	681,000				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
				-	-				-	-	-				0.00	-	-
Total		373		271,803					375,105	4,501,260					-	-	

MARKET						Escalations	2.00%	Vacancy	7.00%								
									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	-	-
Total		0		-					-	-	-				-	-	
Total Units		373		271,803					375,105	4,501,260					-	-	
Common Areas																	
Circulation																	
Total Residential SF				271,803													
Low-Income Ratio		100.00%		100.00%													

MISCELLANEOUS OTHER INCOME						Monthly Per Unit	Monthly Income	Annual Income	Annual Rent
Escalations						2.00%	Vacancy	0.00%	
Laundry and Vending								15,000	
Tenant Charges								2,500	
Total Miscellaneous Other Income						\$3.91	1,458	17,500	-

COMMERCIAL INCOME						Total Sq.Ft.	Monthly Rent per Sq. Ft.	Monthly Rent	Annual Rent	Monthly Rent per Sq. Ft.	Monthly Rent	Annual Rent
Escalations						2.00%	Vacancy	0.00%				
Commercial								-	-			
Retail								-	-			
Other								-	-			
Other								-	-			
Parking Income								-	-			
Total Commercial Income						-		-	-			-

OPERATING EXPENSES

	Sensitivity Percent	Upon Completion			Existing		
		Total	Per Unit	Adjusted Total	Total	Per Unit	Adjusted Total
VARIABLE							
Marketing	100%	13,000	34.85	13,000		-	-
Administration	100%	56,500	151.47	56,500		-	-
Maintenance	100%	172,500	462.47	172,500		-	-
Utilities	100%	234,314	628.19	234,314		-	-
Other	100%	-	-	-		-	-
TOTAL VARIABLE		476,314	1,276.98	476,314		-	-
FIXED							
Insurance	100%	83,227	223.13	83,227		-	-
Payroll	100%	604,500	1,620.64	604,500		-	-
Other	100%	-	-	-		-	-
TOTAL FIXED		687,727	1,843.77	687,727		-	-
Project Operating Expenses		1,164,041	3,120.75	1,164,041		-	-
Escalations				3.00%			
Real Estate Taxes	100%	324,520	870.03	324,520			
Real Estate Tax Escalation				3.00%			
Property Management Fee Percent or Property Management Fee Dollars		4.00%					
		-	-	171,748			-
Total Operating Expense Including Property Mgmt Fee and RE Taxes				1,660,309			-
Replacement Reserve				121,225			-
Total Operating Expense Including Property Mgmt Fee				1,781,534	\$ 4,776		-
					(per unit)		
Replacement Reserve		325.00	121,225				

CALCULATION WILL USE INPUT START DATE - DELETE INPUT IF WANT TO USE COMPLETION DATE

Start Date - input	Aug-17
Start Date - Completion	Dec-18
Annual Escalation	3.00%
% Withdrawn	15.00%
Withdrawn Every	5 years
Interest on Reserve Deposits	2.00%

AMORTIZATION SCHEDULE

AMORTIZATION SCHEDULE

Capital One / FHA

Principal	40,600,000
Interest Rate	3.48%
MIP	0.00%
Amortizable Term	420
Hard or Soft	Hard
Start Date	Aug-17
 Monthly Payment	 167,325.87

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2017	-	836,629	249,372	587,257	40,350,628	-
2018	-	2,007,910	613,431	1,394,479	39,737,197	-
2019	-	2,007,910	635,123	1,372,787	39,102,074	-
2020	-	2,007,910	657,581	1,350,329	38,444,493	-
2021	-	2,007,910	680,833	1,327,077	37,763,660	-
2022	-	2,007,910	704,908	1,303,002	37,058,752	-
2023	-	2,007,910	729,834	1,278,076	36,328,918	-
2024	-	2,007,910	755,641	1,252,269	35,573,277	-
2025	-	2,007,910	782,361	1,225,549	34,790,916	-
2026	-	2,007,910	810,025	1,197,885	33,980,891	-
2027	-	2,007,910	838,668	1,169,242	33,142,223	-
2028	-	2,007,910	868,324	1,139,586	32,273,899	-
2029	-	2,007,910	899,028	1,108,882	31,374,871	-
2030	-	2,007,910	930,818	1,077,092	30,444,053	-
2031	-	2,007,910	963,732	1,044,178	29,480,321	29,480,321
2032	-	2,007,910	997,810	1,010,100	28,482,511	-
2033	-	2,007,910	1,033,094	974,816	27,449,417	-
2034	-	2,007,910	1,069,624	938,286	26,379,793	-
2035	-	2,007,910	1,107,447	900,463	25,272,346	-
2036	-	2,007,910	1,146,606	861,304	24,125,740	-
2037	-	2,007,910	1,187,151	820,759	22,938,589	-
2038	-	2,007,910	1,229,129	778,781	21,709,460	-
2039	-	2,007,910	1,272,592	735,318	20,436,868	-
2040	-	2,007,910	1,317,591	690,319	19,119,277	-
2041	-	2,007,910	1,364,182	643,728	17,755,095	-
2042	-	2,007,910	1,364,182	643,728	17,755,095	-

[]¹ PAYMENT DATE CERTIFICATE

Berkley Preservation GP, LLC, a Delaware limited liability company, as the General Partner of Berkley Preservation, LP, a Delaware limited partnership (the “Partnership”), hereby certifies to LIHTC Fund 53, LLC, a Delaware limited liability company, its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Limited Partnership Agreement of the Partnership dated as of August 1, 2017 (the “Partnership Agreement”)), as follows:

1. All conditions precedent to the [] Payment Date and the payment by the Investor Limited Partner of the [] Federal Payment as specified in Sections 3.1(b)[()] and 3.1(c) of the Partnership Agreement.
2. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default which is currently being contested by a General Partner as of the [] Payment Date.
3. All of the representations and warranties of the General Partner set forth in Section 3.1(c)(v) and Article 9 of the Partnership Agreement are true and correct in all material respects as of the [] Payment Date as if made thereon.
4. The proceeds of the [] Federal Payment will be applied to pay Project Costs as set forth in the Construction Budget.

¹ Insert applicable payment date throughout the document. First Payment Date Certificate executed at Closing.

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [____] Payment Date an amount equal to the [_____] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, ____

GENERAL PARTNER:

BERKLEY PRESERVATION GP, LLC, a
Delaware limited liability company

By: _____

Name: John Tatum

Title: Authorized Signatory

ATTACHMENT A TO EXHIBIT F²

GENERAL PARTNER COMPLETION CERTIFICATE

[ATTACH TO COMPLETION INSTALLMENT PAYMENT CERT]

Berkley Preservation GP, LLC, a Delaware limited liability company, as the General Partner of Berkley Preservation, LP, a Delaware limited partnership (the “Partnership”), hereby certifies to LIHTC Fund 53, LLC, a Delaware limited liability company, its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [_____] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Limited Partnership Agreement of the Partnership dated as of August 1, 2017 (the “Partnership Agreement”)), as follows:

1. All Government Permits have been obtained and maintained; and neither the Partnership nor any General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any Authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured or are in the process of being cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction;
2. To the best knowledge of the General Partner, the Completion of the Project is substantially in accordance with (A) all applicable requirements of the Loan Documents and other Project Documents, (B) all applicable material requirements of all Authorities, and (C) the Plans;
3. To the best knowledge of the General Partner, the Project, as constructed, has no material design, maintenance or rehabilitation defects;
4. There are no mechanic’s liens recorded against the Project and no Person has threatened to assess or record any such mechanic’s lien for which the General Partner has not provided a sufficient mechanic lien release bond;
5. Other than obligations incurred in the ordinary course of business and obligations that will be satisfied with the proceeds of the [_____] Federal Payment, as of the date hereof, the Partnership has no material outstanding obligations for the repayment of money except for the Loans;

² To be completed in conjunction with the Payment Date on which Completion is achieved.

6. The General Partner has set aside 373 of the Rental Units in the Project for households with incomes which satisfy the requirements of Section 42(g) of the Code;

7. The Project has been constructed and operated in a manner which satisfies and shall continue to satisfy, all of the Housing Tax Credit Conditions;

8. To the best knowledge of the General Partner, nothing has occurred that would interfere with the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that adjustment thereof has been made pursuant to the terms of this Agreement; and

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [_____] Payment Date an amount equal to the [_____] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, ____

GENERAL PARTNER:

BERKLEY PRESERVATION GP, LLC, a
Delaware limited liability company

By: _____
Name: John Tatum
Title: Authorized Signatory

ARCHITECT'S CERTIFICATES

EXHIBIT G-1

ARCHITECT'S CERTIFICATE OF _____ PERCENT COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated [_____] , 2017 between Architect and Berkley Preservation, LP, a Delaware limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

1. At least _____ percent (___%) of the rehabilitation of the project located at 800 & 900 Daphia Circle, Newport News, Virginia and known as Berkley Apartments (the "Project") has been completed in accordance with those certain plans and specifications dated [_____] , 2017 prepared by Architect (the "_____ Percent Completed Portion"). (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

2. The _____ Percent Completed Portion has been completed in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Newport News and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. §12101 and the United States Fair Housing Act (42 U.S.C. §3601 et. seq.) and the contemplated use of the Property.

3. To the best of the undersigned's knowledge and belief, the _____ Percent Completed Portion, as completed, complies with all applicable zoning, environmental, building and land use laws.

4. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the _____ Percent Completed Portion.

Dated: _____, ____

ARCHITECT:

VIA Design Architects, PC

By: _____

Name: _____

Title: _____

EXHIBIT G-2

ARCHITECT'S CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated [_____], 2016 between Architect and Berkley Preservation, LP, a Delaware limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

5. The rehabilitation of the project located 800 & 900 Daphia Circle, Newport News, Virginia and known as Berkley Apartments (the "Project") has been substantially completed in accordance with those certain plans and specifications dated [_____], 2017 prepared by the Architect as modified by approved change orders, and subject to only minor punch list items. (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

6. The Project has been completed to the best of our professional knowledge in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Newport News and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. § 12101 and the United States Fair Housing Act (42 U.S.C. § 3601 et. seq.) and the contemplated use of the Property.

7. To the best of the undersigned's knowledge and belief, the Project, as completed, complies with all applicable zoning, environmental, building and land use laws.

8. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the Project.

Dated: _____, ____

ARCHITECT:

VIA Design Architects, PC

By: _____

Name: _____

Title: _____

ACCOUNTANTS' CERTIFICATE
([_____] * PAYMENT DATE)

Berkley Preservation, LP
152 West 57th Street, 36th Floor
New York, NY 10019
Attn: John Tatum

LIHTC Fund 53, LLC
AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499-5553
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Amended and Restated Limited Partnership Agreement of Berkley Preservation, LP, dated as of August 1, 2017, (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the Cost Certification and the IRS Form 8609s for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;
- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount
- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that (i) there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [_____] the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such

[decrease/increase] is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [\$_____] the Projected First Year Federal Investor Housing Tax Credit Amount and that the [loss/increase] in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] [\$_____] the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such [decrease/increase] is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount [is/is not] [less than/more than] the Projected Second Year Federal Investor Housing Tax Credit Amount and that the [loss/increase] in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b) of the Partnership Agreement [if applicable] is [\$_____].

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

* Revise Payment Date as applicable.

FINANCING SUMMARY

All capitalized terms used in this Exhibit I shall have the meanings as set forth in the Agreement.

The Project will receive financing from the following sources:

1. **Bond Loan from Newport News Redevelopment and Housing Authority.** The rehabilitation loan in the amount of up to \$33,000,000 made or to be made to the Partnership by the Issuer, all of which has been derived from the proceeds of the issuance of the Bonds. The Bond Loan shall bear interest at 1.20% per annum and will mature on April 1, 2019.

2. **First Mortgage Loan from Capital One Multifamily Finance, LLC.** The permanent loan in the amount of \$40,600,000 to be made by the First Mortgage Lender to the Partnership. The First Mortgage Loan is insured under Section 207 pursuant to Section 223(f) of the National Act. The First Mortgage Lender will disburse the First Mortgage Loan directly to the Bond Trustee for deposit into the Assignment Fund (as such term is defined in the Bond Indenture) and the Bond Trustee will, in turn, disburse an equal amount of Bond Loan proceeds to the designated agent in escrow for the First Mortgage Lender to disburse to the Partnership once the First Mortgage Loan Note is endorsed by HUD. The First Mortgage Loan matures on September 1, 2052 and bears interest at a rate equal to 3.23% per annum (exclusive of a 0.25% annual mortgage insurance premium). Commencing on September 1, 2017, payments of principal and interest will be made monthly on the First Mortgage Loan in an amount sufficient to fully amortize the First Mortgage Loan over its term.

INSURANCE

The General Partner shall maintain or cause to be maintained insurance coverages in full force and effect at all times with respect to the Project in accordance with the requirements of this Exhibit J. All capitalized terms used in this Exhibit J shall have the meanings as set forth in the Agreement.

(1) **Title Insurance.** The Partnership shall have an Owner's policy of Title Insurance in an amount not less than the Project rehabilitation costs (which shall equal total debt (including any projected Deferred Development Fee) plus equity), but in any event not exceeding insurable value, insuring good and marketable title to the Project, subject to such exceptions as do not materially and adversely affect the value of the Project or its intended use, naming the Partnership as an insured and including the following endorsements: (1) a non-imputation endorsement, (2) a comprehensive endorsement (ALTA Form 9.1 for unimproved land or ALTA Form 9.2 for improved land, as applicable), (3) a contiguity endorsement (if the Land consists of more than one parcel), (4) an access endorsement, (5) a zoning endorsement (including any applicable parking provisions), (6) a fairways endorsement, (7) maximum loss payable and (8) any other endorsements reasonably requested by the Investor Limited Partner to the extent available in the State, each in a form reasonably acceptable to the Investor Limited Partner;

(2) **Property Insurance.** The Partnership shall carry "special form" property insurance in an amount equal to 100% of the insurable replacement cost of the Project with coinsurance waived subject to a per loss deductible not to exceed \$10,000. If a coinsurance clause is in effect, an agreed amount endorsement is required. If Property is zoned as Legal Non-Conforming, endorsements shall extend coverage to building ordinance compliance, demolition and increased cost of rehabilitation. The policy shall not contain any exclusions for acts of terrorism unless waived by the Special Limited Partner. Blanket policies must include a statement of values and limits by property location. Such coverage shall also include business income/rents coverage in the minimum amount of 100% of annual income from the Property for a period of 12 months, and name the Investor Limited Partner as loss payee and the Special Limited Partner as additional insured. Protective Safeguards and Warranties must be deleted. There can be no exclusion or sub-limit applicable for wind, hail or named storm.

(a) If any **boiler or other machinery** is located on the Property, the Partnership shall maintain boiler and machinery insurance on a comprehensive form basis, including repair and replacement coverage and rent loss coverage meeting the requirements of subsection (a) above with mechanical breakdown extension. If coverage is provided by a carrier separate from the Property policy, a joint loss agreement must be included.

(b) **Earthquake Insurance.** If required, in seismic Zone III or IV, a seismic report must be completed to determine the Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL). If the SUL is shown to have an expected damage ratio of less than 25%, then earthquake insurance will not be required. If earthquake coverage is required, it must be in effect for both construction and permanent phases in an amount not less than full replacement cost, unless otherwise approved by the Partners as of the Closing Date.

The Deductible is not to be in exceed of 10% of the total insured value and will include Business Income/Rent Loss coverage for 12 months.

(c) **Flood Insurance.** If the Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). Policies must be obtained through the National Flood Insurance Plan (NFIP) in an amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. An excess Flood or Difference in Conditions (DIC) policy will be required for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. Flood policies must be in full effect for both the rehabilitation and permanent phases.

(d) **Other Coverages.** The Partnership shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include environmental, professional liability, windstorm, mine subsidence, settling, sinkhole, sprinkler leakage, personal property, supplemental liability, or coverages of other property-specific risks.

(3) **Commercial General Liability (ISO-Occurrence form)** insurance with a per occurrence limit for bodily injury and property damage in the amount of not less than \$1,000,000 per location or per project) with a minimum aggregate limit of \$5,000,000 (which may be in the form of umbrella/excess liability insurance), including, products/completed operations, personal & advertising injury, fire legal liability, medical payments, independent contractors, explosion/ collapse/ underground (**XCU**), coverage for contractual liability assumed under all agreements associated with the Project with a deductible or self-insured retention limit not to exceed \$10,000.

The Other insurance clause shall be deleted and as such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles.

If applicable, proof of Worker’s Compensation at statutory limits should be provided.

Note: All policies must contain 30 days’ notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days’ notice shall be given. A minimum financial rating from AM-Best of A-VIII is required. A Confirmation of premiums paid in full is required.

INSURANCE REQUIREMENTS FOR THIRD PARTY MANAGEMENT AGENT

1. **Property Manager Responsibilities.** The General Partner shall cause the Property Management Agreement to require the Property Manager to obtain, and maintain in full force and effect, at all times with respect to the Project the insurance coverage as required by Exhibit J-1. The Property Management Agreement shall require the Property Manager to provide the General Partner with evidence of the required coverage in the form of current certificates of insurance for as long as the Property Management Agreement shall remain in force.

2. **Property Manager Coverages.** In addition to the partnership coverages required by Exhibit J-1, the Property Manager shall obtain and maintain in full force and effect, at all times with respect to the services it provides to the Partnership the following policies of insurance:

(a) Commercial General Liability (ISO-Occurrence form) insurance with a per occurrence limit for bodily injury and property damage in the amount of not less than \$1,000,000 (per location) with a minimum aggregate limit of \$5,000,000 (which may be in the form of umbrella/excess liability insurance), including products/completed operations, personal & advertising injury, fire legal liability, medical payments, coverage for contractual liability assumed under all agreements associated with the Project, with a deductible or self-insured retention limit not to exceed \$10,000. The Partnership, the Investor Limited Partner and the Special Limited Partner are to be additional insureds;

(b) Workers Compensation insurance as required by the state in which the work is to be performed, including Employer's Liability with a minimum statutory limit;

(c) A fidelity bond or crime insurance in an amount not less than six (6) months of Project gross rental receipts; such bond or insurance must provide third party coverage, and if traditional bond does not extend the necessary coverage, then a third party fidelity bond must be secured;

(d) Commercial automobile liability insurance in an amount not less than \$1,000,000 (combined single limit), including owned, hired and non-owned vehicles; and

(e) Management Agent's professional errors and omissions insurance in an amount not less than \$1,000,000.

Note: All policies must contain 30 days' notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days' notice shall be given. A minimum financial rating from AM-Best of A- VIII is required. A confirmation of premiums paid in full is required.

INSURANCE REQUIREMENTS DURING REHABILITATION

1. **Contractor.** Prior to commencement of any work and until final completion and final acceptance of the work by the owner, the Contractor shall, at its sole cost and expense, maintain the following insurance:

(a) Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per occurrence, per project with an aggregate of not less than \$5,000,000 (which may be in the form of umbrella/excess insurance) covering the following perils: Products/completed operations (\$2,000,000) for one year after completion of the Project; special form property damage including premises and operations, products and completed operations for one year after completion of the Project; independent contractors; insured contracts, explosion, collapse and underground (XCU) hazards; coverage for contractual liability assumed under all agreements related to the Project; and Professional Liability, if Contractor hires engineers rather than Architect. Coverage should be on an occurrence basis and be primary and non-contributory coverage. Maximum deductible is \$10,000.

(b) Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles utilized by contractor in connection with the Project.

(c) Workers Compensation insurance as required by the state in which the work is to be performed, including Employer's Liability with a minimum statutory limit.

(d) The Partnership, the Investor Limited Partner and the Special Limited Partner shall be named as additional insureds.

(e) The Other Insurance clause shall be deleted and such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

(f) The Partnership shall not be responsible for any loss of or damage to property of any kind owned, rented or leased by the Contractor or subcontractor, except for property which will be incorporated into and become a permanent part of the Project. The Contractor shall obtain, and shall cause each subcontractor as applicable, to purchase and maintain "special form" contractor's equipment floater on all machinery, tools, equipment and any similar property in an amount at least equal to their fair market value.

(g) Subcontractors shall provide coverages as outlined in (a) through (c) above with limits acceptable to the Contractor as set forth in Attachment IR attached hereto. Subcontractors will also comply with requirements of (d) through (f).

2. **Builder's Risk.** The General Partner shall purchase and maintain, or shall require the Contractor to purchase and maintain, property insurance written on a builder's risk, "special form" or equivalent policy form in the amount of the Construction Contract sum (including the value of any modifications) on a replacement cost basis, including hard and soft costs with no coinsurance applicable. The Partnership is to be a named insured, the Special Limited Partner is to be named an additional insured, and the Investor Limited Partner is to be named a loss payee. If obtained by the Contractor, the Partnership and Special Limited Partner shall be named as additional insureds and the Investor Limited Partner as loss payee. Completed Value Non-

Reporting form required with permission to occupy included. Loss of Income/Rents for 12 months to be included for rehabilitation projects, unless waived by the Investor Limited Partner in its sole discretion. Confirmation required that all protective safeguards and warranties are deleted. Building Law & Ordinance Endorsement required for properties that are Legal Non-Conforming. Such insurance shall be maintained until final payment has been made to the Contractor. Such policies shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, sprinkler leakage, windstorm, falsework, testing and startup, temporary buildings, portions of the work stored off site, all portions of the work in transit, debris removal including demolition occasioned by the enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

3. **Other Coverages.** The Partnership shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include environmental, windstorm, mine subsidence, settling, sinkhole, personal property, supplemental liability, or coverages of other property-specific risks. Partial occupancy or use shall not commence until the insurance company providing the property insurance has consented to such partial occupancy or use by endorsement or otherwise. The General Partner shall take no action with respect to partial occupancy or use that would cause the cancellation, lapse or reduction of insurance.

4. **Architect.** The Architect shall obtain, and maintain in full force and effect, at all times with respect to the Project, the following policies of insurance:

(a) Commercial general liability insurance in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate which shall name the Partnership as an additional insured.

(b) Professional liability insurance in an amount not less than \$1,000,000.

Note: All policies must contain 30 days' notice of cancellation, termination, or reduction of coverage except for non-payment of premium where 10 days' notice shall be given. Minimum financial rating from AM-Best of A- VIII is required. Confirmation premiums paid in full is required.

ATTACHMENT IR – SUBCONTRACT INSURANCE REQUIREMENTS

1. **Worker’s Compensation.** Worker’s Compensation insurance shall be provided as required by any applicable law or regulation. Employers Liability insurance shall be provided in amounts not less than:

- \$1,000,000 each accident for bodily injury
- \$1,000,000 each employee for bodily injury by disease
- \$1,000,000 policy limit for bodily injury by disease

If there is any exposure to Subcontractor’s employees under the U.S. Longshoremen’s and Harbor Worker’s Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees coverage shall be included for such injuries or claims.

2. **General Liability Insurance.** General Liability insurance shall be written on the Commercial General Liability (Occurrence) policy form covering all operations by or on behalf of Subcontractor providing insurance for bodily injury, property damage and personal injury liability for the limits of liability stated below and including coverage for:

- premises and operations;
- products and completed operations;
- contractual liability insuring the obligations assumed by Subcontractor in this Agreement;
- broad form property damage (including completed operations);
- explosion, collapse and underground hazards;
- liability which Subcontractor may incur as a result of operations, acts or omissions of its lower tiered subcontractors or suppliers and their agents or employees; and
- subsidence of land

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit, where applicable, shall apply separately to Subcontractor’s work under this Agreement.

3. **Minimum scope of insurance.** Coverage shall be at least as broad as:

- Commercial General Liability (Insurance Services Office policy form CG 0001).
- “Claims Made” or “Modified Occurrence” form is not acceptable without prior approval of Contractor.

4. **Minimum Limits of Liability.** The limits of liability shall not be less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage, \$1,000,000 for Personal Injury, \$1,000,000 General Aggregate and \$1,000,000. The General Aggregate limit shall apply separately to the Subcontractor’s work under this contract and defense costs shall not be included in the limit or the General Aggregate limit shall be increased to \$2,000,000.

The limits of liability required under the Commercial General Liability policy form may be satisfied by a combination of limits provided by the CGL policy form plus limits provided by Umbrella or Excess Liability policies.

5. **Automobile Liability Insurance.** Automobile Liability insurance shall apply to all owned, hired and non-owned autos. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office policy form CA 0001. If Subcontractor or its subcontractors haul hazardous waste or contaminated materials, they must carry automobile liability insurance with coverage for pollution events arising from such cargo by vehicular accidents, leaks, releases or loading and unloading. Such coverage must be provided by not less than attachment of the MCS 90 endorsement to the policy.

6. **Watercraft Liability Insurance.** If the Subcontractor or its lower tiered subcontractors use any owned, leased, chartered or hired watercraft of any type in the performance of this Agreement, they shall maintain watercraft liability insurance in an amount not less than \$1,000,000 per occurrence.

7. **Aircraft Liability Insurance.** If the Subcontractor or its lower tiered subcontractors use any owned, leased, chartered or hired aircraft of any type (including helicopters) in the performance of this contract, they shall maintain Aircraft Liability insurance in an amount not less than \$5,000,000 per occurrence including Passenger Liability.

8. **Professional Liability Insurance.** If the Subcontractor or its subcontractors provide design or design/build services to the Project, they shall provide Professional Liability insurance in an amount not less than \$1,000,000 and in forms acceptable to the Contractor prior to commencement of design activities. The coverage must include contractual liability assumed under this Agreement. Design Professionals, including but not limited to Architects and Engineers, shall provide Professional Liability insurance in an amount not less than \$1,000,000 and in forms acceptable to the Contractor prior to commencement of design activities. The coverage must include contractual liability assumed under this Agreement.

9. **Builder's Risk Insurance.** If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's Work, then Subcontractor shall be responsible for the insurance deductible amount applicable to damage to Subcontractor's Work and/or damage to other work caused by Subcontractor.

Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment insurance in force for the Project and procured by Contractor. Subcontractor shall satisfy itself as to the adequacy of such policy prior to the commencement of Subcontractor's Work.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Subcontract Documents, Subcontractor shall procure and maintain at its own expense property and equipment insurance for portions of Subcontractor's Work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's Work, then Subcontractor may procure such insurance

at its own expense as will protect the interests of Subcontractor and its subcontractors in the Work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

10. **Contractor's Pollution Liability Insurance.** If Subcontractor or its lower tiered subcontractors are required to perform remedial operations such as excavation and/or removal of contaminated soils or hazardous wastes, then they must carry a Contractor's Pollution Liability insurance policy with limits not less than \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage.

11. **Asbestos/Lead/Mold Abatement Liability Insurance.** If Subcontractor or its subcontractors are required to perform Asbestos or Lead or Mold Abatement operations, then they must carry Asbestos/Lead/Mold Abatement Liability insurance with limits not less than \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage. This coverage may be combined with the General Liability coverage required under paragraph 2 of this Addendum. The coverage must be written on an "Occurrence" form. A "Claims Made" or "Modified Occurrence" form is not acceptable without prior approval of Contractor.

EXHIBIT J-4

ADMINISTRATIVE REQUIREMENTS FOR EXHIBITS J 1-4

1. **Carrier Requirements.** All of the insurance policies required hereunder shall (a) be written by insurance companies which are licensed to do business in the State where the Project is located or otherwise in conformity with the laws of such State, in a General Policy holder Rating of A- or higher, and a Financial Rating of VIII or better, as reported in the most current issue of Best's Insurance Guide, or as reported by Best on its internet web site; (b) except workers comp and professional liability, such insurance shall specifically identify the Investor Limited Partner and the Special Limited Partner as an additional insured; and (c) include a provision requiring the insurance company to notify the Investor Limited Partner in writing no less than thirty (30) days prior to any cancellation, non-renewal or material change in the terms and conditions of coverage. In addition, the General Partner shall provide the Investor Limited Partner with certificates of insurance and certified copies of all insurance contracts required hereunder within thirty (30) days of their inception and subsequent renewals.

2. **Review of Coverage.** The General Partner shall review regularly all of the Partnership and Project insurance coverage to insure that it is adequate. In particular, the General Partner shall review at least annually the insurance coverage required hereunder to insure that it is in an amount at least equal to the then current full replacement value of the Improvements.

Additional Insured. The clause used to refer to the Investor Limited Partner must read verbatim as follows:

LIHTC Fund 53, LLC,
and its Successors, assigns and affiliates,
[as their interest may appear]
c/o AEGON USA Realty Advisors, LLC
lihtcreporting@aegonusa.com
Attn: LIHTC Reporting
4333 Edgewood Rd. NE
Cedar Rapids, IA 52499-5553

The clause used to refer to the Special Limited Partner must read verbatim as follows:

Transamerica Affordable Housing, Inc.,
and its Successors, assigns and affiliates,
[as their interest may appear]
c/o AEGON USA Realty Advisors, LLC
lihtcreporting@aegonusa.com
Attn: LIHTC Reporting
4333 Edgewood Rd. NE
Cedar Rapids, IA 52499-5553

3. **Certificates of Coverage and Policies.** The General Partner shall provide copies of all such insurance policies to the Investor Limited Partner promptly after receipt thereof. Binders are acceptable for a period not to exceed 90 days. In the event hereafter there are exclusions,

redefinitions, or other modifications by the insurance industry to any standard form of coverage specified hereinabove and such changes materially increase risks to the Partnership, the foregoing requirements shall, to the extent feasible, be deemed to include the same coverage of such risks as presently required.

4. **Notice.** The Limited Partners must be immediately notified of any physical damage, additional improvements or other factors affecting any insurance contract, including any claims under the Partnership Insurance.

5. **Limitation of Liability.** The General Partner hereby releases and relieves the Investor Limited Partner and the Special Limited Partner 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 of the foregoing policies, and any other perils for which the General Partner is responsible for arranging such insurance.

The Special Limited Partner reserves the right to modify the insurance requirements as conditions warrant.

PROPERTY MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

This Agreement is made this 22nd day of **March, 2017**, between **Berkley Preservation, LP** (the Owner) and **SHP Management Corp.** (the Agent).

1. Appointment and Acceptance. The Owner appoints the Agent as exclusive Agent for the management of the properties described in Section 2 of this Agreement, and the Agent accepts the appointment subject to the terms and conditions set forth in this agreement.

2. Description of Property. The properties known as Berkley Village and Berkley West to be managed by the Agent under this Agreement (individually and collectively, the Property) is a housing development financed by HUD (hereinafter known as the Lender) consisting of the land, buildings, and other improvements which make up HUD Property Nos. VA36-0025-010 and VA36-0031-1001. The Property is further described as follows:

NAME: Berkley Village Apartments and Berkley West Apartments

LOCATION: Newport News, Virginia

NO. OF DWELLING UNITS: 198 (Berkley Village Apartments)
175 (Berkley West Apartments)

3. Definitions. As used in this Agreement:

a. "HUD" means the United States Department of Housing and Urban Development.

b. "Secretary" means the Secretary of the United States Department of Housing and Urban Development.

c. "Mortgage" means that certain indenture of mortgage by and between the Owner, as mortgagor, and the mortgage, with respect to the Property, which mortgage is insured by the United States Department of Housing and Urban Development.

d. "Mortgagee" means any holder of the Mortgage.

e. "Principal Parties" means the Owner and the Agent.

f. "Consenting Parties" means the Secretary and the Mortgagee

g. "VHDA" means Virginia Housing Development Authority.

4. Requirements of the United States Department of Housing and Urban Development (hereinafter known as HUD). The Property is subsidized by HUD under Section 8 of the Community Development act of 1974, and the Owner has entered into a Housing Assistance Payment (HAP) contract with HUD. The Owner will furnish the Agent with copies of this

contract. In performing its duties under this Management Agreement, the Agent will comply with all pertinent requirements of this contract and the directives of HUD. In the event of any instruction from the Owner which is in contravention of such requirements, the latter will prevail.

5. Management Plan. Attached hereto as Exhibit "A" and hereby incorporated herein, is a copy of the Management Plan for the Property, which provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the Property. In many of its provisions, this Agreement briefly defines the nature of the Agent's obligations, with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the Owner and the Agent will comply with all applicable provisions of the Management Plan, regardless of whether specific reference is made thereto in any particular provision of this Agreement. The services to be provided by the Agent do not include those services for which the Agent is permitted to charge the Owner special fees and add-on fees per HUD's Management Agent Handbook (4381.5) unless the parties otherwise specifically agree in writing.

6. Marketing. The Agent will carry out marketing in accordance with the HUD approved Tenant Selection and Affirmative Marketing Plan.

7. Rentals. The Agent will offer for rent and will rent the dwelling units. Incident thereto, the following provisions will apply:

- a. The Agent will maintain a Management Office to service the Property, or make other arrangements acceptable to the Owner.
- b. The Agent will follow the Resident Selection and Affirmative Marketing Plan.
- c. The Agent will show the premises to prospective tenants.
- d. The Agent will accept and process applications for rentals during normal business hours and at other times as may be required by the Owner. At all times, if an application is rejected, the applicant will be given the reason for rejection in writing with the procedure for Appeal also explained.
- e. The Agent will prepare all dwelling leases and will execute the same in its name, identifying itself thereon as Agent for the Owner. Dwelling leases will be in a form approved by HUD.
- f. The Owner will furnish the Agent with the HUD/VHDA approved rent schedule and any other charges for facilities and services. In no event will such rents and other charges be exceeded.
- g. The Agent will advise all prospective tenants regarding eligibility for dwelling rents which are less than market rents, and will prepare and verify eligibility certifications in accordance with HUD regulations.

- h. The Agent will maintain and submit financial records and accounts of the operation of the mortgaged property in accordance with the requirements of HUD and VHDA.
 - i. The Agent will maintain a current list of acceptable prospective tenants in accordance with provisions of the Resident Selection and Affirmative Marketing Plan and will handle all arrangements necessary to assure full occupancy.
8. **Collection of Rents and Other Receipts.** The Agent will collect and deposit rents in accordance with the terms of each tenant's lease. All funds collected by the Agent shall be deposited by the Agent promptly in a bank account in an institution ~~within the Commonwealth of Virginia~~ whose deposits are insured by an Agency of the United States of America; this account shall be used exclusively by the Agent for funds of this Property and be known as the Rental Agency Account.

All security deposit monies received by the Agent shall be deposited in a separate interest bearing escrow account in an institution ~~within the State of Virginia~~ whose deposits are insured by an Agency of the United States of America. All deposits to and disbursements from the security deposit escrow must be made in accordance with the laws of the Commonwealth of Virginia.

9. **Enforcement of Leases.** The Agent will secure full compliance of each tenant with the terms of his/her lease. The Agent will lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including, but not limited to, nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel of its choice to bring actions for evictions, and to execute notices to vacate and judicial pleadings incident to such actions. Attorneys' fees and other necessary costs incurred in connection with such actions will be paid out of the Rental Agency Account as Property expenses. Notwithstanding anything herein to the contrary, the Agent shall have the power to terminate and accept termination of tenancies; settle, compromise, and release claims against tenants; reinstate leases; give consents provided for in leases; and take all required action to evict tenants when necessary.
10. **Maintenance and Repair.** The Agent will cause the Property to be maintained and repaired, in accordance with state and local codes, in a condition at all times acceptable to the Owner, HUD and VHDA, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary. Incident thereto, the following provisions will apply:
- a. The Agent shall implement a preventative maintenance system acceptable to the Owner.
 - b. The Agent will contract with qualified independent contractors for extraordinary repairs beyond the capability of regular maintenance employees.
 - c. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair in accordance with the budget

established with the Owner.

- d. The Agent is required to obtain written approval from the Lender for disbursements from the Replacement Reserve Escrow prior to commencing work when the cost of the replacement items(s), including labor and materials, exceeds \$10,000, **unless the replacement involves manifest danger to persons or property or required to avoid suspension of any necessary service to the Property**. In such instances, the Agent will contact the Owner as soon as practical.

The Agent is permitted to engage the services of a company with an identity of interest with the Owner so long as the cost, quality of workmanship, timely performance, and work schedule of such identity of interest contractors or vendors are comparable to those services obtained in an arms-length transaction.

- e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds \$5,000 in any one instance, for labor, materials, or otherwise in connection with the maintenance and repair of the Property; except for recurring expenses within the limits of the operating budget or **for emergency repairs involving manifest danger to persons or property or required to avoid suspension of any necessary service to the Property**. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.

11. Utilities and Services. The Owner authorizes the Agent to make arrangements for water, electricity, gas, fuel, oil, sewage and trash disposal, pest extermination, decorating, and laundry facilities and to secure utilities and services. Utility contracts will require Owner approval before final contracts are signed.

12. Employees. The Management Plan prescribes the number, qualifications and duties of the on-site personnel to be regularly employed in the management of the Property, including a Property Manager, a Resident Services Coordinator (if applicable), and maintenance, bookkeeping, clerical, and other managerial employees. All such employees will be deemed employees of the Agent, not the Owner (unless they are the same), and will be supervised and discharged by the Agent, subject to the following conditions:

- a. The Owner will reimburse the Agent for compensation (including fringe benefits) payable to all on-site personnel and for all local, state, and federal taxes and assessments including but not limited to Social Security taxes, unemployment insurance, and workmen's compensation insurance) incident to the employment of such personnel. Such reimbursement will be paid out of the Rental Agency Account and will be treated as a Property expense.

13. Disbursements from Rental Agency Account.

- a. From the funds collected and deposited by the Agent in the Rental Agency Account, pursuant to Section (8) herein, the Agent will make the following disbursements promptly when payable:
 - (1) Reimbursement to the Agent for compensation payable to the employees, specified in Section (12a), and for the taxes and assessments payable to local, state, and federal governments in connection with the employment of such personnel.
 - (2) The single aggregate payment required to be made monthly by the Owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premiums ground rents, taxes and assessments, fire and other hazards, and insurance premiums and the amount specified in the Regulatory Agreement (or an amount agreed upon) for allocation to the Reserve for Replacements escrow.
 - (3) All sums otherwise due and payable by the Owner as expenses of the Property, authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section (23) below, for its service hereunder.
- b. Except for the disbursements mentioned in Section 13.a.(1)-(3), funds will be disbursed or transferred from the Rental Agency Account only as the Owner may from time to time direct in writing.
- c. In the event that the balance in the Rental Agency Account is at any time insufficient to pay disbursements due, the Agent will within 30 days inform the Owner of that fact, and the Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its funds to pay such disbursements.

14. Budgets. Annual operating budgets for the Property will be prepared by the Agent and approved by the Owner; the Agent will use best efforts to see that each operating expense itemized in the budget will not exceed the annual amount authorized by the approved budget. The Owner will promptly inform the Agent, of changes, if any, incorporated in the annual budget, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

15. Social Services Program. The Agent will be responsible to the Owner for carrying out the social services program described in the Management Plan. The Resident Services Coordinator will be directly responsible to the Agent for the conduct of this program, if applicable.

16. Records and Reports. In addition to any other requirements specified in this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. The Agent will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to any directives of HUD and/or the Owner. All records, books, and accounts will be subject to examination at reasonable hours by authorized representatives of the Owner and/or HUD.
- b. Within ninety (90) days following the end of each fiscal year of the Property, HUD and the Owner shall be furnished with a complete annual financial report for the Property based upon an examination of the books and records of the Owner and containing a detailed, itemized statement of all income and expenditures. This report shall be prepared and certified by a Certified Public Accountant, initially Dauby, O'Connor & Zaleski, LLC, in accordance with the requirements of HUD and in conformity with generally accepted accounting principles applied on a consistent basis; the report shall be further certified by a duly authorized agent of the Owner. The costs of preparing this report will be paid out of the Rental Agency Account as an expense of the Property.
- c. At the request of the Owner and/or the Lender, the Agent shall furnish quarterly occupancy reports and shall give specific answers to questions relative to the ownership and operation of the Property upon which information is reasonably desired from time to time.
- d. By the fifteenth (15th) day of each month, the Agent will furnish the Owner with an itemized list of all rental accounts.
- e. By the fifteenth (15th) day of each month, the Agent will furnish the Owner with a statement of receipts and disbursements for the previous month, and with a schedule of accounts receivable and payable and reconciled bank statements for the Rental Agency Account and Deposit Account as of the end of the previous month.
- f. The Agent will prepare on a monthly basis HUD-52670, HUD-52670A Part I and HUD 52670A Part II for Section 8 Tenant Assistance payments. The Agent will submit the forms via TRACS as required by HUD by the 10th day of the month before the payments are earned.

17. Bids, Discounts, Rebates, etc. The Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Property. It is required to solicit bids in writing for all costs greater than \$10,000 for those items that can be obtained from more than one source. The Agent will secure and credit to the Property, and not receive or retain for itself, all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions regarding the Property.

18. **Emergency Answering Services.** The Agent will provide an emergency repair capability on a twenty-four (24) hour basis by providing after-hours call-in service.
19. **Fidelity Bond.** The Agent will be responsible for providing a fidelity bond, equal to at least two months' gross potential income, which will cover all employees who will be handling or associated with the management of this Property. The fee for such bond shall be paid out of the Agent's funds and not out of Property income.
20. **Insurance.** The Agent shall recommend to the Owner the type of insurance to be carried with respect to the Property and its operations; and the Agent, when authorized by the Owner in writing, may cause such insurance to be placed and kept in effect at all times. Insurance coverage must at all times be acceptable to HUD and/or the Lender.
21. **Compliance with Governmental Orders.** The Agent will take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Property, whether imposed by federal, state, county, or municipal authority, subject, however, to the limitation stated in Section (8e) with respect to repairs. The Agent shall, however, take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner, in writing, of all notices of such governmental orders or other requirements within seventy-two (72) hours of the time of their receipt.
22. **Non-discrimination.** In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state, or local law prohibiting discrimination in housing on the grounds of race, color, creed, handicap, or national origin, including Title VI of the Civil Rights Acts of 1964 (Public Law 88-352, 78 Stat. 241); all requirements imposed by or pursuant to the Regulations of HUD (24 CFR, Subtitle A, Part I) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063; and Title VIII of the 1968 Civil Rights Act, the regulations of DHCD providing for non-discrimination and equal opportunity in housing; and the provisions of the Agents Resident Selection Plan and Affirmative Marketing Plan.
23. **Agent's Compensation.** The Owner shall pay to the Agent for its management services under this Agreement (a) a base management fee equal to four percent (4%) of gross rents, including rent subsidies ("Gross Rents"), and (b) reasonable special fees and add-on fees to the extent allowed by HUD per its Management Agent Handbook (4381.5) and approved by the Owner. Such fees shall be paid by the Owner to the Agent monthly, not later than the fifteenth (15) day of each month, unless otherwise agreed by the parties hereto. The Agent shall not be entitled to an annual accounting fee.
24. **Indemnity.** The Agent shall not be liable to the Owner for any loss or damage not caused by the Agent's own negligence or failure to comply with its obligations hereunder. The Owner will indemnify the Agent against and hold the Agent harmless from:

- a. Any liability, damages, costs and expenses (including reasonable attorneys' fees) sustained or incurred for injury to any person or property in, about, and in connection with the buildings, from any cause whatsoever, unless such injury shall be caused by the Agent's own negligence or failure to comply with its obligations hereunder.
- b. Any liability, damages, penalties, costs and expenses, statutory or otherwise, for all acts properly performed by the Agent pursuant to the instructions of the Owner; provided, in each of the foregoing instances, that the Agent promptly advises the Owner of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses.

25. Terms of Agreement. This Agreement shall be in force on a basis beginning on day of purchase for an initial term of one (1) year and shall be automatically renewed for an additional term of one (1) year upon the expiration of the initial term or any renewal term unless either party notifies the other party not less than ninety (90) days prior to the expiration of the then current term that it does not wish to renew the Agreement. Notwithstanding the foregoing, this Agreement shall be subject to termination for cause upon not less than thirty (30) days prior written notice of default describing in reasonable detail the nature of the default unless, prior to the expiration of the notice period, the default is substantially cured, provided that this Agreement may be terminated immediately by the Owner if HUD so demands or by either party if the other party files a petition in bankruptcy or makes an assignment for the benefit of creditors or takes advantage of any solvency act. Upon termination of this Agreement as aforesaid, the Agent will submit to the Owner any financial statements requested by the Owner. After the Owner and the Agent have accounted to each other, with respect to all matters outstanding, as of the date of termination, the Owner will furnish the Agent security, in form and principal amount satisfactory to the Agency, against any obligations or liabilities which the Agency may properly have incurred on behalf of the Owner hereunder.

26. Interpretative Provision:

- a. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Property, and no change will be valid unless made by a supplemental written agreement, executed and approved in the same manner as this Agreement.
- b. This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

27. Notices: Any notices, demands, consents, and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Agent individually may specify hereafter in writing:

Agent: Sharon A. Pray, President
SHP Management Corp.
7 Thomas Drive
Cumberland Foreside, ME 04110

Owner: Berkley Preservation, LP
c/o Fairstead Affordable LLC
152 West 57th Street, 36th Floor
New York, NY 10019
Attn: Jeffrey Goldberg & John Tatum

- 28. Other:** The Managing Agent further agrees to comply with the Regulatory Agreement as executed between HUD, VHDA, and the Owner, all Marketing and Management Plans, including resident selection criteria, affirmative fair housing marketing plan, etc. for the property which provides a comprehensive and detailed description of the policies and procedures to be followed by the Agent which may be amended from time to time.

The Managing Agent agrees that in the event of a default under the Mortgage, Mortgage Note, Regulatory Agreement, or when HUD takes over as Mortgagee in Possession, the Agreement will immediately terminate or upon 30 days written notice with a 60 day cure period for failure to comply with the provisions of the Management Certification or other good cause. In any event of termination, the Agent will turn over to Owner all of the properties cash, checking, investments, security deposit accounts, etc., along with all records, invoices, bank statements, etc. within 30 days after the date of termination.

Should there be any conflict within this Management Agreement and the above Section 28, HUD rights and requirements shall prevail.

IN WITNESS WHEREOF, the principal parties have, by their duly authorized officers, executed this Agreement on the date first above written.

IN WITNESS WHEREOF, the principal parties have, by their duly authorized officers, executed this Agreement on the date first above written.

OWNER:

BERKLEY PRESERVATION, LP,
a Delaware limited partnership

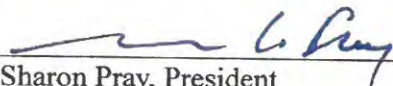
By: BERKLEY PRESERVATION GP, LLC,
a Delaware limited liability company,
its general partner

By: 

John Tatum, Authorized Signatory

AGENT:

SHP Management Corp., a MAINE corporation

By: 

Sharon Pray, President

PROJECT DOCUMENTS

Closing Checklist



DUE DILIGENCE CHECKLIST – TCA 379 – BERKLEY PRESERVATION, LP

<u>Project Location</u> Berkley Apartments 800 & 900 Daphia Circle Newport News, VA 23601	<u>Tentative Closing Date: August 24 (escrow 8/23)</u> <u>Committee Date</u> July 17 <u>Type of Investment: Direct</u>
<u>Property Description</u> Rehabilitation of 49 garden-style buildings constructed in 1979 & 1983	
<u>General Partner</u> Berkley Preservation GP, LLC	<u>General Partner Counsel</u> Williams Mullen
<u>Developer</u> Fairstead Affordable LLC	<u>Guarantors</u> General Partner, Fairstead Affordable LLC, Stuart Feldman
<u>Investor Limited Partner</u> LIHTC Fund 53, LLC	<u>Special Limited Partner</u> Transamerica Affordable Housing, Inc. (“TAH”)
<u>Investor Limited Partner Counsel</u> Holland & Knight	
<u>General Contractor</u> – MSI <u>Property Manager</u> – SHP Management	<u>Insurance Third-Party Consultant</u> - D&M <u>Architect</u> – Via design architects, pc

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
1.00	EQUITY CLOSING DOCUMENTS			
1.01*	Letter of Intent / Term Sheet	Rec'd	Investor/Sponsor	✓
1.02*	Amended and Restated Limited Partnership Agreement		Investor Counsel	✓
1.03	Executed First Payment Date Certificate	<i>Exhibit to LPA</i>	Investor Counsel	See 1.02
1.04	Unconditional Guaranty		Investor Counsel	✓
1.05	Partnership Management Agreement		Investor Counsel	✓
1.06	Development Services Agreement		Investor Counsel	✓
1.07*	Assignment, Pledge and Security Agreement		Investor Counsel	✓
1.08	Incentive Management Fee Agreement		Investor Counsel	✓
1.09	Repurchase Option Agreement		Investor Counsel	✓
1.10	Reserved		Investor Counsel	N/A
1.11	Purchase Option Agreement		Investor Counsel	✓
1.12	Environmental Indemnity		Investor Counsel	✓
1.13	UCC-1(s) in favor of AEGON		Investor	✓
1.14	Reserved	N/A	Investor Counsel	N/A
1.15	Architect's Certificate of Compliance	Rec'd	General Partner (<i>Form to be provided by Investor</i>)	✓
1.16	Accountant's Cert re 168(h)(6)(F)(ii)	<i>Req. if partnership is a non-profit and they're making a 168(h)(6)(F)(ii) election</i>	General Partner	N/A
2	PROJECTIONS			
2.01	Projections		Investor/Sponsor	See 1.02
3	CONSTRUCTION to PERMANENT LOAN DOCUMENTS – Bond Financing			
3.00	Lender: U.S. Department of Housing and Urban Development Amount: \$[40,600,000] HUD Insured 223(f) Loan			
3.01	Commitment letter	Rec'd HUD Firm Commitment		✓
3.02	Loan Agreement			✓
3.03	Note (Multistate)			✓
3.04	Multifamily Deed of Trust with Rider			✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
3.05	Assignment of Leases and Rents			✓
3.06	Security Agreement	Rec'd Security Instrument		✓
3.07	Guaranty			✓
3.08	UCC-1 Financing Statement (State & County)			✓
3.09	No Federal Funds Letter			✓
3.10	Estoppel Certificate			✓
3.11	Assignment of Firm Commitment			✓
3.12	Regulatory Agreement			✓
3.13	Request for Endorsement of Credit Instrument & Certificate of Lender			✓
3.14	Certificate Regarding Permanent Financing			✓
3.15	Tenant Security Deposits Certification			✓
3.16	Lender Certification for Tax Exempt Bonds			✓
3.17	Certificate RE: Rent Roll			✓
3.18	Certificate RE: Accounts Payable			✓
3.19	Certificate RE: No Material Adverse Change			✓
3.20	Byrd Amendments Statement for Loan Guarantees and Loan Insurance			✓
3.21	Escrow Agreement For Non-Critical Deferred Repairs			✓
3.22	Borrower's Oath			✓
3.23	Agreement and Certification			✓
3.24	Certified Closing Statement			✓
3.25	Certificate Regarding Tenant's Security Deposit			✓
6.26	Borrower's Oath			✓
4	PERMANENT LOAN DOCUMENTS			

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
5	SUBORDINATE LOAN DOCUMENTS - N/A			
6	BOND DOCUMENTS			
6.00	Issuer: Newport News Redevelopment and Housing Authority Amount: \$33,000,000			
6.01	Bond Application	Rec'd Local Housing Authority Application – Housing Bond Allocation	General Partner	✓
6.02	Bond Resolution	Rec'd	Issuer	✓
6.03	Bond Issuance Letter/Certification Authorizing Bond Issuance/Authorizing Resolution	Rec'd Resolution authorizing the issuance	Issuer	✓
6.04	Bond Volume Cap Approval	Rec'd	Issuer	✓
6.05	Preliminary Statement/Official Statement	Rec'd	Issuer's Counsel	✓
6.06	Trust Indenture	Rec'd	Issuer's Counsel	✓
6.07	Financing Agreement		Issuer's Counsel	N/A
6.08	Bond Regulatory Agreement	Rec'd	Issuer's Counsel	✓
6.09	Tax Credit Arbitrage Certificate		Issuer's Counsel	N/A
6.10	Bond Purchase Agreement	Rec'd	Issuer's Counsel	✓
6.11	Evidence of TEFRA hearing/notice		Issuer	N/A
6.12	Bond Counsel Opinion Supplemental Opinion	Rec'd	Issuer's Counsel	✓
6.13	Specimen Bonds		Issuer's Counsel	N/A
6.14	Remarketing Agreement		Issuer's Counsel	N/A
6.15	Assignment and Intercreditor Agreement		Issuer's Counsel	N/A
6.16	Pledge, Security & Custody Agreement		Issuer's Counsel	N/A
6.17	Borrower Loan Agreement			N/A
6.18	Funding Loan Agreement			N/A
6.19	Loan Agreement	Rec'd		✓
6.20	Tax Certificate and Agreement	Rec'd		✓
6.21	Closing Memorandum	Rec'd		✓
6.22	Statement No. 1 Requesting	Rec'd		✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	Disbursement of Funds			
7	PARTNERSHIP ENTITY DOCUMENTS			
7.00	Berkley Preservation, LP			
7.01	Partnership Agreement/ Operating Agreement and any amendments thereto	Rec'd Agreement of Limited Partnership	General Partner	✓
7.02	Certified by SOS a copy of Certificate of Limited Partnership/Articles of Organization and any amendments	A) Rec'd DE Certificate of Limited Partnership B) Rec'd VA Certificate of Qualification	General Partner	✓
7.03	FEIN	Rec'd 81-4229581	General Partner	✓
7.04	Good Standing/Existence Certificate	A) DE B) VA	GP Counsel	✓
7.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd VA and DE Searches	GP Counsel	✓
7.06	Financial Statement	N/A	General Partner	N/A
7.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
7.08	Officer's Closing Certificate	Rec'd	General Partner (<i>Form to be provided by Investor</i>)	✓
7.09	Organizational Chart	Rec'd	General Partner	✓
7.10	LP Transfer Tax	Internal	Investor/Investor Counsel	Internal
8	GENERAL PARTNER DOCUMENTS			
8A.00	Berkley Preservation GP, LLC, a Delaware limited liability company			
8A.01	Operating Agreement	Rec'd	General Partner	✓
8A.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd Rec'd Qualification to do business in VA	General Partner	✓
8A.03	FEIN	Rec'd	General Partner	✓
8A.04	Good Standing/Existence Certificate	Rec'd Good Standing (DE)	GP Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
8A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd	GP Counsel	See 7.05
8A.06	Financial Statement	N/A	General Partner	N/A
8A.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
8A.08	Schedule of Real Estate Owned	N/A	General Partner	N/A
8A.09	Schedule of Contingent Liabilities	N/A	General Partner	N/A
8A.10	Officer's Closing Certificate with Resolution/Incumbency Certificate		General Partner (<i>Form to be provided by Investor</i>)	✓
8A.11	IRS Determination Letter	N/A	General Partner	N/A
9	DEVELOPER DOCUMENTS			
9.00	Fairstead Affordable LLC, a Delaware limited liability company			
9.01	Operating Agreement	Rec'd Operating Agreement dated May 6, 2016	General Partner	✓
9.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd Certificate of Formation filed 5/6/2016	General Partner	✓
9.03	FEIN	Rec'd	General Partner	✓
9.04	Good Standing/Existence Certificate		GP Counsel	
9.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd	GP Counsel	See 7.05
9.06	Financial Statement	Rec'd balance sheet – April 2017	General Partner	✓
9.07	Federal Tax Return (for past 2 years)	N/A	General Partner	N/A
9.08	Schedule of Real Estate Owned	Rec'd	General Partner	✓
9.09	Schedule of Contingent Liabilities		General Partner	N/A
9.10	Officer's Closing Certificate with Resolution/Incumbency Certificate		General Partner (<i>Form to be provided by Investor</i>)	✓
10	GUARANTOR DOCUMENTS			
10.00	10A.00 - See Section 8 10B.00 - See Section 9 - Fairstead Affordable LLC			
10C.00	Stuart Feldman			
10C.01-04	N/A	N/A	General Partner	N/A
10C.05	Lien Searches	Rec'd	General Partner	See 7.05

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
10C.06	Financial Statement	DO NOT ADD TO SHAREFILE	General Partner	✓
10C.07	Federal Tax Return (for past 2 years)	DO NOT ADD TO SHAREFILE	General Partner	✓
10C.08	Schedule of Real Estate Owned	Rec'd	General Partner	✓
10C.09	Schedule of Contingent Liabilities	Rec'd	General Partner	✓
11	DEVELOPMENT TEAM RESUMES			
11.01*	Developer Resume	Rec'd	General Partner	✓
11.02*	a) Contractor Resume b) General Contractor Questionnaire	a)Rec'd b)Rec'd	General Partner	✓
11.03*	Architect Resume	Rec'd	General Partner	✓
11.04*	Property Manager Resume	Rec'd Resume	General Partner	✓
11.05*	Other Resumes (References, if applicable)	N/A	General Partner	N/A
12	PROJECT CONSTRUCTION DOCUMENTS			
12.01	Architect's Contract	Rec'd agreement between VIA design architects, pc and Berkley Preservation, LP dated 10/25/16	General Partner	✓
12.02*	a)Construction Contract b)Buy-Out Log c)Construction Budget d)Construction Schedule	Rec'd Construction Contract dated as of 8/1/17	General Partner	✓
12.03*	Payment and Performance Bonds – a) Form AIA 312 and b) with Dual Obligee Language	Rec'd Letter of Credit	General Partner	
12.04	Initial Cost Review	Rec'd Capital Needs Assessment by Partner dated 2/17/17 Rec'd 223(F) Heavy Document Review by Partner dated 4/25/17 Rec'd Reliance Letter from Partner	3 rd party (<i>to be completed with information provided by General Partner</i>)	✓
12.05	Property Needs Assessment Report	N/A	General Partner	N/A
12.06	Geotechnical Report	N/A	General Partner	N/A
12.07	PML Analysis / Seismic Report	N/A	3 rd party (<i>ordered by Investor</i>)	N/A
12.08	Plans and Specifications	Rec'd	General Partner	✓
12.09	Evidence of Availability of utilities for water, sewer, gas, & electric	Rec'd Energy audit Rec'd Sewer & water	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
12.10	Building Permits / Certificate of Occupancy	Rec'd	General Partner	✓
12.11	Site Plan	Rec'd	General Partner	✓
12.12	Evidence of Compliance with all Permitting, Zoning, and Land Use Requirements	Rec'd PZR Report – Berkley Village and for Berkley West <i>In addition, either a Zoning Endorsement or Zoning Opinion will be required</i>	General Partner	✓
12.13	a) Professional Services Agreement (Non-MSA) b) Invoice		Investor	✓
12.14	Reserved	N/A	Investor	N/A
13	PROJECT FINANCIAL INFORMATION			
13.01	Property Tax Abatement Information	N/A	General Partner/GP Counsel	N/A
13.02	Utility Allowances	N/A	General Partner	N/A
13.03*	Market Study/Feasibility Study	A) Rec'd Market Study (Fairstead Affordable) B) Rec'd Market Study (Aegon)	(a) General Partner to provide existing market study (b) 3 rd Party (ordered by Investor)	✓
13.04	Detailed Operating Budget (including staffing plan and utility expense justification)	See Model (Evan ok with it)	General Partner	See 2.01
13.05	Rent Rolls and Historic Operations	Rec'd	General Partner	✓
14	INSURANCE CERTIFICATES			
14.00	All insurance reviews are being performed by our third party reviewer			
	14.01) Third Party Insurance Consultant Review 14.02) Partnership Property Insurance 14.03) Partnership General Liability Insurance		Third Party (with information provided by General Partner or GP insurance broker)	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	14.04) Management Agent Insurance (fidelity bond) 14.05) Contractor's Insurance 14.06) Architect's Insurance 14.07) Builder's Risk Insurance 14.08) Civil Engineer's Insurance 14.09) Other –			
15	PROJECT ACQUISITION DOCUMENTS			
15.01	a) Title Insurance Commitment b) Title Exception Documents c) Proforma including endorsements d) Owner's Policy		General Partner	✓
15.02	ALTA Survey with ILP form of certificate	Rec'd and approved	General Partner	✓
15.03	a) Ground Lease b) Amended and Restated	N/A	GP Counsel	N/A
15.04	Appraisal	Rec'd (prepared for Richmac Funding LLC)	General Partner	✓
15.05	Purchase and Sale Agreement	Rec'd	General Partner	✓
15.06	Acquisition Deed		GP Counsel	✓
15.07	Settlement Statement for Project Acquisition	N/A	General Partner	N/A
15.08	Evidence of 10-year ownership/chain of title search		General Partner	N/A
15.09	Seller's Certificate (10-year Rule)		Investor Counsel	✓
15.10	Buyer's Certificate (10-year Rule)		Investor Counsel	✓
15.11	Seller Information	SHP Will not provide – Seller's Sworn Statement circulated		✓
15.12	Commercial Tenant Leases	Rec'd Laundry Lease Rec'd draft SNDA (Village and for West) - HUD		✓
16	ENVIRONMENTAL REPORTS			
16.01	Environmental Phase I Report(s)	Rec'd Phase I ESA dated 2/2017 Rec'd Phase I ESA dated 8.4.17 in the name of the Partnership	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
16.02	Phase II	N/A	General Partner	N/A
16.03	Other report(s) – may include Radon, Asbestos, Lead Based Paint, and Mold	Rec'd Asbestos Building Inspection dated 6/8/17 by SHP Management Corporation (Berkley Village Apartments) Rec'd Asbestos Building Inspection dated 6/8/17 by SHP Management Corporation (Berkley West Apartments) Mold – Moisture Action and Prevention Plan dated July 5, 2017	General Partner	✓
16.04	Reliance letters) for reports	Report is in the name of the partnership	General Partner (<i>Investor to provide form</i>)	N/A
16.05	Additional Requirements (pre and/or post closing) – may include O&M Manuals and/or Plans		General Partner	N/A
17	LOW-INCOME HOUSING TAX CREDIT INFORMATION			
17.01	Tax Credit Application	Rec'd TC App	General Partner	✓
17.02	Tax Credit Reservation	Rec'd reservation application	General Partner	✓
17.03	42(m)(1)(D) Letter (Allocating Agency)	Rec'd	Issuer	✓
17.04	42(m)(2)(D) Letter (Issuer)	Rec'd	Issuer	✓
17.05	Application for Carryover Allocation	N/A	General Partner	N/A
17.06	Carryover Allocation Agreement	N/A	General Partner	N/A
17.07	Evidence of 10% test	N/A	General Partner	N/A
17.08	Election to Lock-in Credit Rate	Leila ok to let it float (7/24)	General Partner	Post-closing
17.09	Evidence of qualifying census tract or difficult development area for 130% basis boost (if applicable)	N/A	General Partner	N/A
17.10	Evidence of State Volume Cap Compliance (IRS Form 8038)	Rec'd	Issuer's Counsel	✓
17.11	Evidence of compliance with any conditions to reservation or carryover	N/A	General Partner	N/A

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Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	allocation of credits			
17.12	Copies of all material correspondence with Agency	<i>if applicable</i>	General Partner	N/A
18	HISTORIC TAX CREDIT INFORMATION N/A			
19	PROJECT USE RESTRICTION			
19.01	Section 42 - Extended Use Agreement	Rec'd Extended Use Regulatory Agreement with HUD language.	General Partner/GP Counsel	✓
20	OPINIONS AND CERTIFICATES			
20.01(A)	Local Counsel Authority Opinion	Rec'd; General Certificate (Berkley Preservation LP) and Equity Opinion Certificates (Fairstead Affordable, Stuart Feldman, Berkley Preservation, LP	GP Counsel	✓
20.01(B)	Welfare Tax Exemption Opinion	N/A		N/A
20.02	Tax Opinion	H&K - Internal	Investor Counsel	✓
20.03	Tax Certification Letter		Investor Counsel	N/A
20.04	Zoning Opinion		General Partner/GP Counsel	N/A
21	PROPERTY MANAGEMENT DOCUMENTS			
21.01*	Property Management Agreement	Rec'd Please forward authorization to do business in VA (Maine corporation) for SHP Management	General Partner	✓
21.02*	Marketing Plan (Tenant Selection Plan)	Rec'd	General Partner	✓
21.03*	Management Plan	Rec'd	General Partner	✓
21.04*	Form of Tenant Lease Agreement	Rec'd	General Partner	✓
21.05*	LIHTC Compliance Policies and Monitoring Procedures	Rec'd – See 21.03	General Partner	See 21.03
21.06*	Form of Income Certification for Low-Income Tenants	Rec'd – See 21.03	General Partner	See 21.03
21.07*	Social Service Agreements	N/A	General Partner/GP Counsel	N/A
21.08*	Relocation Plan	Rec'd	General Partner	✓
21.09*	Property Management Questionnaire	Rec'd	General Partner	✓

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
21.10*	Property Manager's Organizational Chart	Rec'd – See 21.03	General Partner	See 21.03
21.11*	Schedule of Real Estate Managed	Rec'd – See 21.03	General Partner	See 21.03
21.12*	Evacuation Plan	Rec'd	General Partner	✓
22	GOVERNMENT SUBSIDY AGREEMENTS (HAP CONTRACT) – N/A			
22.01	Agreement to enter into HAP Contract	<i>if applicable</i>	General Partner	N/A
22.02	Current HAP Contract	Rec'd	General Partner	✓
22.03	HAP Contract extension/ commitment letter from HUD granting extension	Rec'd HAP Renewal Contract (Berkley West & Berkley Village) Rec'd HUD Rent Schedule (BW & BV)	General Partner	✓
22.04	Collateral Assignment of HAP Contract		General Partner	N/A
22.05	HUD Consent to Assignment		General Partner	N/A
23	MISCELLANEOUS			
23.01	HUD 2530 Clearance	Sent to HUD	General Partner/Investor	✓
23.02	Escrow Letter		Investor Counsel	✓
23.03	Wire Instructions	<i>Wire instructions must be sent to AEGON from authorized representative of GP directing AEGON where to fund.</i>	General Partner	✓
23.04	Insured Closing Protection Letter		General Partner	n/a
23.05	Settlement Statement - Closing Requisition		General Partner	✓
23.06	First Requisition		General Partner	✓

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

CONSENT FOR ELECTRONIC DISTRIBUTION

**Consent for Distribution of Schedules K-1 Electronically in Lieu of Paper Format
in accordance with Revenue Procedure 2012-17**

The IRS has issued Revenue Procedure 2012-17 regarding the rules partnerships must follow if they wish to distribute Schedules K-1, Partners' Share of Income, Deductions, Credits, etc., electronically in lieu of paper format.

Paper statement

Your Schedule K-1 will be furnished on paper if you do not consent to receive it electronically.

Scope and duration of consent

This consent applies to each Schedule K-1 required to be furnished after this consent form is executed until it is withdrawn in the manner described below.

Post-consent request for a paper statement

You may request a paper copy of your Schedule K-1 in addition to receiving your electronic copy. Such requests will not be treated as a withdrawal of this consent.

Withdrawal of consent

You may withdraw this consent by writing (electronically or on paper) to the Furnisher. A withdrawal of consent takes effect on the date it is received by the Furnisher, or on a subsequent date determined by the Furnisher and communicated to you within a reasonable period of time after the Furnisher receives the withdrawal. The Furnisher will confirm the withdrawal of consent and the date on which it takes effect in writing (either electronically or on paper).

A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in Revenue Procedure 2012-17 before the date on which the withdrawal of consent takes effect.

Notice of termination

Withdrawal from the partnership will be considered an automatic withdrawal of consent.

Updating information

The Furnisher will contact you if there is any change in the Furnisher's contact information. Please contact the Furnisher as soon as possible if you have any updates to your contact information.

The Schedule K-1 may be required to be printed and attached to a Federal, State or local income tax return.

I consent to receive my Schedule K-1 in an electronic format.

INVESTOR LIMITED PARTNER:

LIHTC FUND 53, LLC, a Delaware limited liability company

By: Aegon Community Investments 53, LLC, its Non-Member Manager

By:  _____

Name:

Title: **Aron Hansen
Vice President**

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation

By:  _____

Name:

Title: **Aron Hansen
Vice President**

AMENDMENT TO
THE AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
BERKLEY PRESERVATION, LP
A DELAWARE LIMITED PARTNERSHIP

THIS _____ AMENDMENT TO THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF Berkley Preservation, LP, a Delaware limited partnership (this “_____ Amendment”), is made and entered into as of the __ day of _____, 20[___] (the “Effective Date”), by and among Berkley Preservation GP, LLC, a Delaware limited liability company, as the general partner (the “General Partner”), LIHTC Fund 53, LLC, a Delaware limited liability company (“Aegon 53”), Aegon LIHTC Fund [____], LLC, a Delaware limited liability company (“Aegon [____]”), and Transamerica Affordable Housing, Inc., a California corporation (“TAH”), on the following terms and conditions:

RECITALS

A. General Partner, Aegon 53 and TAH entered into that certain Amended and Restated Limited Partnership Agreement dated as of August 1, 2017 ([as amended,] the “Partnership Agreement”) with respect to Berkley Preservation, LP, a Delaware limited partnership (the “Partnership”), pursuant to which Aegon [____] was admitted as the limited partner with a 99.99% limited partnership interest. All terms not otherwise defined herein shall have the meaning set forth in the Partnership Agreement.

B. Pursuant to Section 10.3 of the Partnership Agreement, Aegon 53 now desires to transfer all of its rights and obligations in its Partnership Interest, including, but not limited to, Aegon 53’s entire right to allocations of profit, gain, income, loss and tax credits under the Partnership Agreement (the “Assigned Partnership Interest”) to Aegon [_____].

C. Aegon [_____] desires to assume all of the liabilities and obligations of Aegon [____] relating to the Assigned Partnership Interest under the Partnership Agreement.

D. The parties hereto desire to amend the Partnership Agreement to substitute Aegon [_____] in place of Aegon 53 as the Investor Limited Partner.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties hereto do hereby agree that the Partnership Agreement is hereby amended on the following terms and conditions:

1. Assignment. As of the Effective Date, Aegon 53 hereby assigns, transfers and conveys to Aegon [_____] (the “Assignment”) all of Aegon 53’s rights, title and interest in and to the Assigned Partnership Interest, free and clear of all liens, claims, encumbrances or restrictions of any kind, except those arising under the Partnership Agreement, and states its intention that Aegon [_____] become a Substituted Partner in the Partnership in Aegon 53’s place with regard to the Assigned Partnership Interest.

2. Assumption. As of the Effective Date, Aegon [_____] hereby accepts and agrees to be bound by the terms and provisions of the Partnership Agreement and assumes all obligations of the Investor Limited Partner thereunder relating to the Assigned Partnership Interest and states its intention to become a Substituted Partner in the Partnership in Aegon 53’s place with regard to the Assigned Partnership Interest.

3. Substitution. Aegon [_____] is hereby substituted as the Investor Limited Partner and Aegon 53 hereby withdraws as the Investor Limited Partner.

4. Acknowledgment. The General Partner and TAH hereby consent to and acknowledge the foregoing Assignment. The General Partner and TAH agree that, from and after the Effective Date, Aegon [_____] shall be admitted as the Investor Limited Partner of the Partnership, entitled to all of the approval, voting and other rights, obligations and benefits of the Investor Limited Partner of the Partnership arising out of its ownership of the Assigned Partnership Interest and that Aegon 53 shall no longer be the Investor Limited Partner in the Partnership as to the Assigned Partnership Interest.

5. Representation/Certifications.

- a. Aegon [_____] hereby represents and warrants that it has full power and authority to consummate the Assignment.
- b. Aegon [_____] certifies that it is not a non-resident alien, foreign corporation, foreign trust or foreign state, within the meaning of Section 897 and 1445 of the Internal Revenue Code of 1986.
- c. Aegon [_____] certifies that it is a Delaware limited liability company with the address and taxpayer identification number shown below:

Aegon LIHTC Fund [____], LLC
c/o AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE
Mail Drop 5553
Cedar Rapids, Iowa 52499-5553
Attention: LIHTC Reporting

Federal taxpayer identification number: [_____]

6. Notices. Section 13.1 of the Partnership Agreement is hereby amended to have all notices to the Investor Limited Partner sent to:

Aegon LIHTC Fund [____], LLC
c/o AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE
Mail Drop 5553
Cedar Rapids, Iowa 52499-5553
Attention: LIHTC Reporting

7. Affirmation. Except for the foregoing, the parties hereto reaffirm the Partnership Agreement. The parties agree to cooperate in good faith to effect any further amendments to the Partnership Agreement or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the Assignment.

8. Headings. The headings used in this _____ Amendment are intended principally for convenience and shall not, by themselves, determine the parties' rights and obligations.

9. Counterparts. This _____ Amendment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single document.

10. Inconsistencies. If there are any inconsistencies between the terms of this _____ Amendment and the Partnership Agreement, the terms of this _____ Amendment shall control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this _____ Amendment as of the day and year first above written.

GENERAL PARTNER:

BERKLEY PRESERVATION GP, LLC, a Delaware limited liability company

By: _____

Name: John Tatum

Title: Authorized Signatory

AEGON 53:

LIHTC FUND 53, LLC, a Delaware limited liability company

By: Aegon Community Investments 53, LLC, a Delaware limited liability company, its Non-Member Manager

By: _____

Name:

Its:

AEGON [_____]:

AEGON LIHTC FUND [_____], LLC, a Delaware limited liability company

By: Aegon Community Investments [_____], LLC, a Delaware limited liability company, its Managing Member

By: _____

Print Name: _____

Its: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC.,
a California corporation

By: _____

Print Name: _____

Its: _____

REAFFIRMATION OF GUARANTY

The undersigned hereby acknowledge the transaction contemplated by the foregoing _____ Amendment and agree and reaffirm that all obligations set forth in that certain Unconditional Guaranty executed by the undersigned in favor of Aegon 53 dated as of August 1, 2017 shall, as of the Effective Date, inure to the benefit of the Aegon [_____].

FAIRSTEAD AFFORDABLE LLC, a Delaware limited liability company

By: _____

Name: John Tatum

Title: Authorized Signatory

Stuart Feldman

Hope Village Apartments

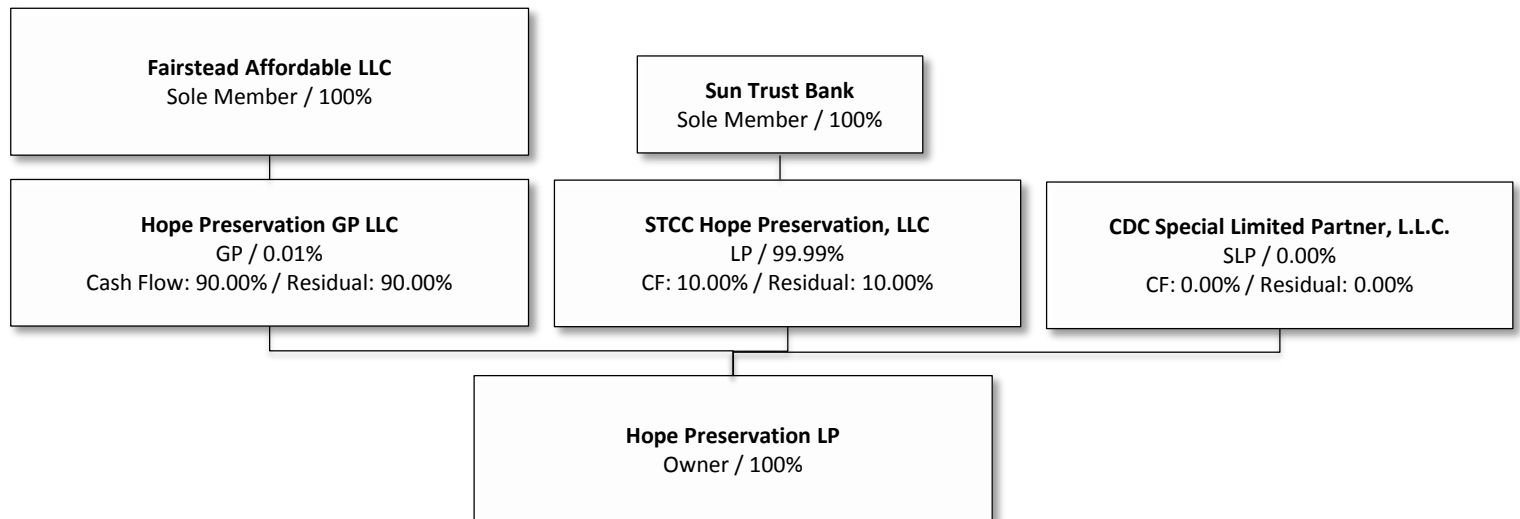
Glen Allen, VA

Hope Village Apartments

Glen Allen, VA

Organizational Chart

Property Owner – Tax Credit



Hope Village Apartments

Glen Allen, VA

Limited Partnership Agreement

HOPE PRESERVATION LP

**SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP**

Dated as of July 1, 2018

HOPE PRESERVATION LP

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Schedule A - List of Partners and Capital Contributions

Exhibit 1	-	Accountant's Agreed Upon Procedures Report
Exhibit 2	-	Second Installment Payment Certificate
Exhibit 3	-	Third Installment Payment Certificate
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HOPE PRESERVATION LP

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is entered into effective as of July 1, 2018 by and among **HOPE PRESERVATION GP LLC**, a Delaware limited liability company (the “General Partner”), **FA ACQUISITIONS LLC**, a Delaware limited liability company (the “Original Limited Partner”), **STCC HOPE PRESERVATION, LLC**, a Georgia limited liability company (the “Investor Limited Partner”) and **CDC SPECIAL LIMITED PARTNER, L.L.C.**, a Georgia limited liability company (the “Special Limited Partner”). Capitalized terms used and not otherwise defined in this Agreement have the respective meanings specified in Article I.

BACKGROUND STATEMENT

The Partnership was organized as a limited partnership under the Uniform Act pursuant to a Limited Partnership Agreement dated as of December 8, 2017, which was amended by that certain Amended and Restated Limited Partnership Agreement dated as of March 12, 2018 (as amended, the “Existing Partnership Agreement”) and Certificate of Limited Partnership filed with the Secretary of State for the State of Delaware (the “Filing Office”) on November 20, 2017 (the “Certificate”).

The purposes of this amendment to, and restatement of, the Existing Partnership Agreement are to (i) admit the Investor Limited Partner and Special Limited Partner as Limited Partners, (ii) provide for the withdrawal of the Original Limited Partner, and (iii) set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, it is agreed, and the Existing Partnership Agreement is hereby amended and restated in its entirety, as follows:

ARTICLE I

DEFINED TERMS

The defined terms used in this Agreement shall have the meanings specified below:

“Accountants” means Dauby O’Connor & Zaleski, Berdon LLP, or such other firm of certified public accountants experienced in tax and book reporting for low income housing projects as may be selected annually by the General Partners subject to the approval of the Investor Limited Partner.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of a Partnership taxable year (or at such other time as shall be required pursuant to the terms of this Agreement) after giving effect to the following adjustments:

- (i) Such Capital Account shall be increased by the amount of any Deficit Restoration Obligation of such Partner.
- (ii) Such Capital Account shall be decreased by the items described in

Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Allocation Regulations.

The foregoing definition of Adjusted Capital Account Deficit and the application of such term in the manner provided in Section 10.4C hereof is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Allocation Regulations and shall be interpreted consistently therewith.

“Adjustment Fraction” means a fraction separately determined as to each fiscal year, the numerator of which shall be the Consumer Price Index most recently published before the end of such fiscal year, and the denominator of which shall be the Consumer Price Index most recently published prior to the Admission Date.

“Admission Date” means the date on which the Investor Limited Partner is admitted to the Partnership as the Investor Limited Partner pursuant to Section 13.8.

“Affiliate” means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; or (iii) any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

“After-Tax Basis” means, with respect to any payment to be received by a Person, the amount of such payment plus a further payment that equals the sum of all taxes imposed currently on such Person (or, in the case of a pass-through entity, the partners or members of such Person) with respect to such payment assuming, for this purpose, the highest combined marginal federal and state income tax rate applicable to corporations at such time.

“Agency” means, as applicable, the Credit Authority, HUD, the City, and/or any other government agency or municipality having jurisdiction over the particular matter to which reference is being made.

“Agreement” means this Second Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time. In the event that the Allocation Regulations are revised or amended subsequent to the date of this Agreement, references herein to sections or paragraphs of the Allocation Regulations shall be deemed to be references to the applicable sections or paragraphs of the Allocation Regulations as then in effect.

“Amortization Commencement Date” means the first date on which the amount of the permanent portion of the Tax-Exempt Loan has been determined and payments of principal and interest are required to be made with respect to the Tax-Exempt Loan.

“Annual Credit” means the amount of Federal Low Income Housing Tax Credits allowable to the Partnership each year of the Credit Period as determined by the Accountants from time to time and/or as adjusted pursuant to a Final Determination.

“Anti-Corruption Laws” means all laws, rules, statutes, codes and regulations of any governmental entity or Agency applicable to the General Partner, its Affiliates or the Partnership 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 purposes 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.

“Asset Management Fee” means the annual fee payable by the Partnership to the Investor Limited Partner for its asset management services to the Partnership as described in Section 6.9C.

“Assignment” or “assignment” shall mean any assignment, transfer or sale, and the words assign, assignee and assignor shall have correlative meanings, except in each case where the sense of this Agreement requires a different construction.

“Bank” means SunTrust Bank, a Georgia banking corporation.

“Builder” means Breeden Construction, or any other contractor duly licensed in the Project State that may be engaged by the General Partner as the general contractor for the Project with the reasonable Consent of the Investor Limited Partner.

“Buildings” means the twelve (12) residential buildings, one (1) community building and one (1) accessory building located on the Land which contains a total of one hundred (100) dwelling units and other amenities appurtenant to the dwelling units.

“Capital Account” means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner, consisting of (i) the amount of cash such Partner has contributed to the Partnership *plus* (ii) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject *plus* (iii) the amount of profits and tax-exempt income allocated to such Partner *less* (iv) the amount of losses allocated to such Partner *less* (v) the amount of all cash distributed to such Partner *less* (vi) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject *less* (vii) such Partner’s share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and subject to such other adjustments as may be required under the Code.

“Capital Contribution” means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as provided in this Agreement. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner. The term “Capital Contribution” shall include any Special Capital Contribution.

“Capital Replacement Reserve” means the reserve account described in Section 6.10A.

“Capital Transaction” means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or any substantial portion of the assets of the Partnership (including condemnation or casualty proceeds and Title Insurance Proceeds not utilized or reserved for replacement of affected assets) but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership.

“Cash Available for Debt Service Requirements” means, for any specified number of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, the excess of (a) all Operating Revenues for such period over (b) all Project Expenses properly allocable to such period of time on an accrual basis and, on an annualized basis, all projected expenditures, 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, as determined by the Accountants, but specifically excluding payment of Debt Service Requirements. For purposes of this definition, (a) Project Expenses shall include, to the extent not otherwise covered above, full funding of reserves required by the Mortgage Loan Documents or this Agreement and normal repairs and necessary capital improvements not otherwise funded out of any reserves or insurance specifically available therefor, (b) if free rent or other rental concessions shall have been granted to tenants, Operating Revenues shall be adjusted so that the effect of such concessions is amortized equally over the term of all leases (excluding renewal periods) to which it applies, (c) Operating Revenues shall not exceed the amount of Operating Revenues that could have been achieved with a vacancy rate equal to the greater of 5.00% or the actual vacancy rate, and (d) Project Expenses shall be calculated based on the greater of (1) the actual Project Expenses or (2) underwritten expenses of \$4,991 per unit per year trending at 3.00% per annum from the date of Investment Closing.

“Cash Flow” means, with respect to any fiscal year of the Partnership or any other applicable period for the Partnership, subject to any applicable Agency or Lender requirements, (a) all Operating Revenues of the Partnership for such period, plus (b) any amounts which the General Partner, with the prior written consent of each Lender or Agency whose consent may be required and the Consent of the Investor Limited Partner, release from any Partnership reserve or escrow account as no longer being necessary to be held as part of such reserve or escrow account, less (c) Project Expenses paid during the applicable period. Notwithstanding the foregoing, Cash Flow shall be calculated before deduction of any of the fees, loan repayments and interest payments specifically enumerated in the numbered clauses of Section 10.1A. Cash Flow shall be determined separately for each fiscal year and shall not be cumulative.

“Certificate” has the meaning attributed thereto in the Background Statement to this Agreement, as amended from time to time in accordance with the terms hereof and the Uniform Act.

“Change in Tax Law” means any amendments to the Code after the date of this Agreement and amendments to or promulgations of new legislative regulations after the date of this Agreement that provides for the reduction or elimination of the Annual Credit or substantially changes the requirements necessary for the Project to qualify for the Annual Credit in a manner

that the Special Limited Partner, acting in good faith, reasonably determines cannot be satisfied by the Partnership using commercially reasonable methods or on commercially reasonable terms.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

“Commitment” and “Commitments” means the Mortgage Loan Commitments and any other documents and other instruments delivered to or required by the Lenders or any Agency by or from the Partnership in connection with any of such commitments, as amended from time to time.

“Completion Date” means the date on which the Investor Limited Partner shall have received all of the following: (i) copies of all requisite certificates of occupancy necessary to permit the use and occupancy of 100% of the apartment units in the Project; provided, however, that if such certificates are of a temporary nature, the “Completion Date” shall not be deemed to have occurred unless that work remaining to be done is of a nature which would not impair the permanent occupancy of any of such apartment units; (ii) the date as of which the Construction Inspector, the Project Architect, and the General Partner has certified in writing to the Investor Limited Partner that the work to be performed by the Builder under the Construction Contract is substantially complete in accordance with the Plans and Specifications and the other Construction Documents; (iii) the date of delivery to the Investor Limited Partner of a current date-down endorsement to the Title Policy. Any representation by the General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Investor Limited Partner and the Construction Inspector pursuant to a physical inspection of the Property.

“Compliance Period” means the entire period during which the “compliance period” specified in Section 42(i)(1) of the Code shall be applicable to any building of the Project.

“Consent” means, with respect to a specified Partner, the prior written consent or approval of such Partner. Unless otherwise specifically provided herein, any such Consent may be given or withheld in such Partner’s sole and absolute discretion.

“Construction Contract” means the Construction Contract between the Partnership and the Builder providing for the construction of the Improvements, as the same may be amended from time to time in accordance with this Agreement. In no event shall the Construction Contract provide for a builder’s fee, overhead or other compensation that exceeds the amount allowable by the Credit Authority.

“Construction Documents” means the Construction Contract, including without limitation, the general conditions and the project manual, the Plans and Specifications, the agreement between the Partnership and the Project Architect, the agreement between the Partnership and the Project engineer, and all trade contracts to which the Partnership or the Builder are a party and pursuant to which construction of the Improvements will be accomplished.

“Construction Inspector” means an architect, engineer or other professional approved by the Investor Limited Partner for the purpose of periodically inspecting (no more than monthly) and reporting to the Investor Limited Partner on the progress of rehabilitation of the Project. The Investor Limited Partner shall use best efforts to select the same Construction Inspector as Lender.

“Construction Management Agreement” means the Construction Management Agreement dated as of even date herewith by and between the Partnership and FA DC LLC, a Delaware limited liability company, as amended from time to time in accordance with its provisions and the provisions of this Agreement.

“Construction Management Fee” means the fee payable to FA DC LLC pursuant to the Construction Management Agreement.

“Consumer Price Index” means the Consumer Price Index for All Urban Consumers, All Cities, for All Items (base 1982-84 = 100) published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Agreement is to be made, the most comparable governmental index published in lieu thereof shall be substituted therefor.

“Controlling Interest” means, with respect to an Entity, the power to direct the management and policies of such Entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Cost Certification” means a certified audit by the Accountants acceptable to the Investor Limited Partner and submitted to the Credit Authority, itemizing the Partnership’s construction costs for the Project for purposes of establishing the amount of Federal Low Income Housing Tax Credits available to the Partnership.

“Credit Approval” means the letter(s) issued by the Credit Authority and the Governmental Lender pursuant to Sections 42(m)(1)(D) and 42(m)(2)(D) of the Code, respectively, preliminarily approving Federal Low Income Housing Tax Credits with respect to the Project in an amount equal to \$524,623 per annum. The Credit Approval includes an initial determination by the Credit Authority that the Project satisfies the requirements of the Project State’s qualified allocation plan and is not more than necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project pursuant to Section 42(m)(1)(D) and 42(m)(2)(D) of the Code.

“Credit Authority” means the Virginia Housing Development Authority, or any successor agency that administers the Federal Low Income Housing Tax Credit program in the Project State.

“Credit Period” means the “credit period” described in Section 42(f)(1) of the Code and, in the case of a Building to which Section 42(f)(2) of the Code applies, the first taxable year thereafter.

“Debt Service Coverage Ratio” means, for any specified period of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, a fraction, the numerator of which is the Cash Available for Debt Service Requirements with respect to such period and the denominator of which is the Debt Service Requirements for such period. The achievement by the Partnership of a specified Debt Service Coverage Ratio shall be confirmed by the Accountants and shall be subject to independent confirmation by the Investor Limited Partner.

“Debt Service Requirements” means, for any specified period of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, all debt service, mortgage insurance premiums, guarantee fees, servicing fees, and other cash requirements imposed under the Mortgage Loan Documents (including without limitation full funding of any reserves or escrow accounts or any other indebtedness properly allocable to such period of time on an annualized accrual basis as determined by the Accountants). Debt Service Requirements does not include “soft” requirements imposed by the Mortgage Loan Documents (e.g., costs that need not be paid on a current basis but are instead payable solely to the extent of available Cash Flow). For purposes of calculating the Debt Service Coverage Ratio at any time prior to the Amortization Commencement Date, Debt Service Requirements shall be calculated using the amount of debt service and other cash requirements imposed under the Mortgage Loan Documents following the Amortization Commencement Date as if the Amortization Commencement Date had commenced on the first day of the applicable period.

“Deferred Development Fee” has the meaning attributed thereto in the Development Agreement.

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is obligated to restore (or is treated as being obligated to restore) to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s share of Partnership Minimum Gain if any, and (iii) such Partner’s share of Partner Non-Recourse Debt Minimum Gain, if any.

“Designated Affiliate” means any Person performing services on behalf of the Partnership, within the scope of the authority of the General Partners, who: (1) directly or indirectly controls, is controlled by, or is under common control with any General Partner, (2) possess, directly or indirectly, the power to direct or cause the direction of the management or policies of the General Partner, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be, (3) is an officer, director, partner or trustee of any General Partner, or (4) if any General Partner is an officer, director, partner or trustee, of any company for which the General Partner acts in any such capacity.

“Designated Interest Rate” means the annual rate of interest which is at all times equal to the lesser of (i) the Prime Rate plus 2.00%, with calculations of interest to be made on a daily basis and on the basis of a 360-day year, or (ii) the maximum rate permitted by law; the term “Prime Rate” means the rate of interest announced from time to time by the Bank as its prime lending rate.

“Designated Proceeds” means the proceeds of the Mortgage Loans, any net rental or other miscellaneous income of the Partnership generated through Final Closing (to the extent not otherwise covered by this Designated Proceeds definition) which is permitted by any applicable Lender or Agency to be utilized for Development Costs, the Capital Contributions (excluding any Capital Contributions of the General Partner in excess of \$1,000 in the aggregate), and any insurance proceeds arising out of casualties prior to Final Closing.

“Developer” means FA Developer LLC, a Delaware limited liability company.

“Development Advances” has the meaning set forth in the Development Agreement.

“Development Agreement” means the Development Agreement dated as of even date herewith by and between the Partnership and the Developer, as amended from time to time in accordance with its provisions and the provisions of this Agreement.

“Development Costs” means all costs (other than payment of the Deferred Development Fee) incurred to (i) acquire fee title to the Land, (ii) complete the construction of the Improvements or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens (except those which have been bonded or insured against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership or the Property for payment of any claim or debt secured thereby), and equip the Improvements or cause the same to be equipped, all in accordance with the Project Documents and the drawings and specifications for the Project, (iii) convert the Tax-Exempt Loan (including repayment in full of any construction portion of the Tax-Exempt Loan) and arrive at Final Closing in conformity with the Project Documents, (iv) discharge all Partnership liabilities and obligations arising out of any casualty (occurring prior to Final Closing) giving rise to the receipt of insurance proceeds, (v) satisfy the obligations of the Partnership under the Construction Management Agreement and the Development Agreement (other than payment of the Deferred Development Fee), (vi) fund the Operating Reserve, (vii) pay all Environmental Compliance Costs, and (viii) pay or provide for all other payments, expenses, escrows or reserves required by any Lender, Agency or Partnership creditor to be made, incurred or funded through Final Closing (other than Project Expenses incurred through Final Closing).

“Development Fee” has the meaning attributed thereto in the Development Agreement.

“Document Schedule” means the Schedule of Documents attached hereto as **Exhibit 7**.

“Economic Risk of Loss” has the meaning set forth in Treasury Regulation Section 1.752-2.

“Election Notice” has the meaning attributed thereto in Section 5.3A.

“Eligible Basis” has the meaning set forth in Section 42(d) of the Code and the Treasury Regulations thereunder.

“Entity” means any limited liability company or partnership, general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Environmental Compliance Costs” means all costs necessary to bring the Project into compliance with all Hazardous Waste Laws.

“Event of Bankruptcy” means, as to a specified Person:

(i) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as

now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(ii) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing; or

(iii) in the case of a Person who is a General Partner, the voluntary withdrawal of such Person as a General Partner in violation of the terms of this Agreement.

“Extended Use Agreement” means the “extended low-income housing commitment” to be entered into by and between the Credit Authority and the Partnership prior to the end of the first year of the Credit Period governing the long-term use restrictions applicable to the Project in respect of the Federal Low Income Housing Tax Credits and otherwise satisfying all of the requirements of Section 42(h)(6) of the Code.

“Federal Low Income Housing Tax Credits” means the low-income housing tax credits for which the Project is eligible under Section 42 of the Code.

“Fifty Percent Completion Date” means the latest to occur of the following: (i) the receipt by the Investor Limited Partner of a written certification from the Construction Inspector, the Project Architect and the General Partner certifying that the work to be performed by the Builder under the Construction Contract is fifty percent (50%) complete (based upon the ratio of the cost of completed items under the Construction Contract to the total Construction Contract amount, taking into account change orders and other revisions, as of the date of such certification) in accordance with the Plans and Specifications; (ii) the receipt by the Investor Limited Partner of a certification of the General Partner, the Project Architect and the Construction Inspector of a detailed description of the costs incurred by the Partnership under the Construction Contract; (iii) receipt by the Investor Limited Partner of lien waivers signed by the Builder and all Material Sub-Contracts, prepared on forms provided by the Investor Limited Partner; (iv) receipt by the Investor Limited Partner of evidence satisfactory to the Investor Limited Partner that all sums due in connection with the construction of the Improvements have been paid in full or will be paid from the proceeds of the Second Installment; (v) the Investor Limited Partner has received copies of all AIA Applications of Payment submitted to the Partnership by the Builder and all sub-contractors with Material Sub-Contracts; (vi) written approval by the Investor Limited Partner of any changes to the original development budget to the extent such approval is required under Section 6.1 of this Agreement, and construction completion timeline, together with evidence satisfactory to the Investor Limited Partner that sources of funds are available to the Partnership to pay for all remaining costs to complete the Project; and (vii) written approval of the Investor Limited Partner of all change orders in connection with the Construction Contract to the extent such approval is

required under Section 6.1 of this Agreement.

“Fifty Percent Test Qualification” means receipt by the Investor Limited Partner of an Accountant’s opinion in form and substance reasonably satisfactory to the Investor Limited Partner concluding that, for purposes of Section 42(h)(4) of the Code, not less than fifty percent (50%) of the aggregate basis of the Buildings (including site improvements) and the Land was financed with the proceeds of an obligation, the interest on which is exempt from tax under Sections 103 and 142 of the Code and which is within the Project State’s volume cap as provided under Section 146 of the Code.

“Filing Office” has the meaning attributed thereto in the Background Statement to this Agreement.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) full disbursement of the Mortgage Loan proceeds, (iii) repayment of the construction portion of the Tax-Exempt Loan, if any, (iv) the conversion of the Tax-Exempt Loan in a principal amount determined in accordance with the provisions of Section 9.1B, (v) the Amortization Commencement Date, (vi) the Project is free of any mechanics’ and other liens as evidenced by duly executed and notarized final and unconditional lien waivers on AIA Document G706 from the Builder and all subcontractors (but excluding any liens bonded against or affirmatively insured against under the Title Policy in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby), (vii) Cost Certification, (viii) issuance of a current date-down endorsement to the Title Policy, (ix) all Development Costs have been paid or, alternatively, are provided for based on an updated sources and uses statement for the Project, and (x) the full funding of any reserves but only to the extent required under the Mortgage Loan Documents and this Agreement as of the date on which all other conditions to Final Closing have been satisfied, unless funded concurrently with the Final Closing.

“Final Determination” means the earliest to occur of (a) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (b) the date on which the Service has entered into a binding agreement with the Partnership with respect to such issue or on which the Service has reached a final administrative determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (c) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired, or (d) the date on which the applicable statute of limitations for raising an issue regarding a Federal income tax matter with respect to the Partnership has expired.

“Funding Lender” means, initially, the Bank, and upon transfer of the loan after the date hereof, Freddie Mac, and their respective successors and assigns.

“General Partner” or “General Partners” means Hope Preservation GP LLC, a Delaware limited liability company and any other Person or Persons designated as a General Partner in the **Schedule A** or any other Person who becomes a General Partner as provided herein. If at any time the Partnership shall have a sole General Partner, the term “General Partners” shall be construed

as singular.

“Government Official” means an officer, employee or official of a government, government owned or controlled entity, Agency, political party or public international organization, or a candidate for political office.

“Governmental Lender” means the Suffolk Redevelopment and Housing Authority.

“Guarantor” means, initially, the Fairstead Affordable LLC, Jeffrey Goldberg, an individual, and Stuart Feldman, an individual; provided, however, upon release of Stuart Feldman as a Guarantor in accordance with the Guaranty Agreement, the term “Guarantor” shall be revised to mean the Fairstead Affordable LLC only.

“Guaranty Agreement” means the Guaranty Agreement of even date herewith from the Guarantor, for the benefit of the Investor Limited Partner and the Special Limited Partner.

“HAP Contract” the housing assistance payment contract between Jefferson County Assisted Housing Corporation and the Partnership effective as of August 1, 2018, pursuant to which the Jefferson County Assisted Housing Corporation has agreed to provide Section 8 project-based vouchers to the Partnership for the Low-Income Units for a term of not less than 20 years.

“Hazardous Material” means and includes any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, including without limitation those listed in or regulated under any Hazardous Waste Laws, polychlorinated biphenyls, petroleum, petroleum-based or petroleum-derived products, mold, and asbestos or asbestos-containing materials, except for those materials kept in the ordinary course of business for office supplies, cleaning and pest control.

“Hazardous Waste Laws” means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be amended from time to time and including any regulations promulgated thereunder.

“HUD” means the U.S. Department of Housing and Urban Development, and its successors.

“Improvements” means the Buildings and any related facilities to be constructed and/or renovated in accordance with the Project Documents.

“Installment” means any installment of the Capital Contributions of the Investor Limited Partner referred to in Section 5.1.

“Interest”, or words of like import, shall mean all the interest of a Partner in Cash Flow and other distributions, capital, profits and losses, tax credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor Entity formed pursuant to this Agreement.

“Investment Assumptions” means the financial schedules and underlying assumptions prepared by STCC and attached hereto as **Exhibit 9**.

“Investment Closing” means the date of full execution of this Agreement. Investment Closing occurred on July 27, 2018.

“Investor Limited Partner” means STCC Hope Preservation, LLC, and its successors and assigns.

“Land” means the parcel of land on which the Improvements are located in Glen Allen, Virginia, as further described in Schedule A of the Title Policy.

“Lender” means any lender under any Mortgage Loan, together with its respective successors and assigns in such capacity, including, without limitation, the Governmental Lender and the Funding Lender.

“Limited Partner” or “Limited Partners” mean any or all of those Persons designated as Limited Partners in **Schedule A**, any Person admitted as a Limited Partner pursuant to Section 4.6, or any Person who becomes a Substitute Limited Partner pursuant to Article VIII, in each such Person’s capacity as a Limited Partner of the Partnership. Such term shall include the Special Limited Partner, the Investor Limited Partner, and any Persons who may succeed to the Interests of such Limited Partners.

“Low Income Unit” means the one hundred (100) dwelling units in the Project that are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

“Management Agent” means SHP Management Corp., or any successor thereto engaged by the General Partner as the management agent for the Project with the reasonable Consent of the Investor Limited Partner.

“Management Agreement” means the management agreement dated January 1, 2018 by and between the Partnership and the Management Agent which has received all Requisite Approvals and the approval of the Investor Limited Partner.

“Management Fee” means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the Management Agreement which shall be subject to any Requisite Approvals and the provisions of Article XI.

“Major Sub-Contracts” means all sub-contractors with contract sums in excess of \$100,000.

“Material Default” has the meaning set forth in Section 7.7B.

“Minimum Operating Reserve Amount” has the meaning attributed thereto in Section 6.10B.

“Mortgage” means each deed of trust granted by the Partnership to a Lender as security

for the Partnership's obligations under the Mortgage Loan Documents; and, where the context admits, "Mortgage" shall mean and include any security agreements, assignments or other instruments pertaining to said indebtedness that are required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term "Mortgage" as used herein includes any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and the term "foreclose" and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

"Mortgage Loan" means the Tax-Exempt Loan, and any other indebtedness secured by a Mortgage that is obtained by the Partnership in accordance with the terms of this Agreement.

"Mortgage Loan Commitments" means and includes the commitment evidencing the Tax-Exempt Loan.

"Mortgage Loan Documents" means the Mortgage Loan Commitments, Notes, Mortgages and other documents evidencing and securing any Mortgage Loan or otherwise entered into by the Partnership and/or the General Partner in connection therewith, all of which shall be subject to approval by the Investor Limited Partner.

"Negative Cash Flow Loan" means a loan to the Partnership pursuant to Section 6.8 and which is repayable without interest and only as provided in Article X.

"Note" means and includes any promissory note from the Partnership to a Lender evidencing a Mortgage Loan, and shall also mean and include any note supplemental to said original note issued to a Lender or any note issued to a Lender in substitution for any such original note.

"Operating Reserve" has the meaning attributed thereto in Section 6.10B.

"Operating Revenues" means, with respect to a fiscal year or other applicable period, all cash actually received by the Partnership on a cash basis from normal operations, including without limitation, (i) all rental revenue (except pre-paid rent, which shall be added only on an accrual basis during such period), tenant voucher or other rental subsidy payments, including subsidy payments received from the HAP Contract, proceeds from business or rental interruption insurance, laundry income, parking revenue and other incidental revenues but specifically excluding interest on Partnership reserves, proceeds of insurance (other than business or rental interruption insurance), loans, amounts refunded by the Service or other taxing authority, Capital Transactions or Capital Contributions, and (ii) the proceeds of any Partnership reserves or escrow accounts properly released to pay Project Expenses.

"Partner" means any General Partner or Limited Partner.

"Partner Non-Recourse Debt" means any Partnership liability (i) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor's right to repayment is limited to one or more assets of the Partnership and (ii) for which any Partner or Related Person bears the Economic Risk of Loss.

“Partner Non-Recourse Debt Minimum Gain” means the amount of partner nonrecourse debt minimum gain and the net increase or decrease in partner nonrecourse debt minimum gain determined in a manner consistent with Sections 1.704-2(d), 1.704-2(i)(2) and (i)(3) and 1.704-2(k) of the Allocation Regulations.

“Partner Non-Recourse Deductions” shall have the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Allocation Regulations.

“Partnership” means the limited partnership governed by this Agreement as said limited partnership may from time to time be constituted.

“Partnership Minimum Gain” means the amount determined by computing, with respect to each Partnership Non-Recourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Sections 1.704-2(d) and 1.704-2(k) of the Allocation Regulations.

“Partnership Non-Recourse Deductions” shall have the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Allocation Regulations.

“Partnership Non-Recourse Liability” means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the Economic Risk of Loss.

“Partnership Representative” means the Person designated as “partnership representative” of the Partnership in accordance with Section 6.2.

“Payment Certificate” has the meaning given it in Section 5.1B(i).

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“Plans and Specifications” means the plans and specifications for the rehabilitation and development of the Project approved by the Investor Limited Partner, including, without limitation, specifications for materials, and all amendments and modifications thereof, as the same may be amended from time to time with the Consent of the Investor Limited Partner.

“Project” or “Property” means the Land and the Improvements.

“Project Architect” means Via Design Architects, PC, or such other architect reasonably approved by the Investor Limited Partner in writing.

“Project Documents” means and includes this Agreement, the Construction Documents, the Mortgage Loan Documents, the Regulatory Agreements (including the Extended Use Agreement), the Tax Credit Application, the HAP Contract, the Credit Approval, the Cost Certification, IRS Forms 8609, the Commitments, the Management Agreement, the Development Agreement, the Construction Management Agreement, the Guaranty Agreement, the Purchase Option Agreement the Closing Certificate, the Supervisory Management Agreement, and all other

material documents relating to the Project which are required by, or have been executed by the General Partner in connection with, any of the foregoing documents.

“Project Expenses” means all the costs and expenses of any type incurred by the Partnership and properly charged as operating expenses incidental to the ownership and operation of the Project under standard accounting procedures; such operating expenses may include, without limitation, real estate taxes (assuming full assessment as such full assessment may be reduced by any tax exemptions or abatements received by the Partnership which have been Consented to by the Limited Partners) and any other federal, state or local taxes assessed against the Partnership, capital improvements reasonably deemed necessary by the General Partner and not funded out of any reserves or escrows for such or from the proceeds of insurance, the cost of operations, debt service and other payments with respect to the Mortgage Loan, maintenance and repairs, the funding of any reserves or escrows required to be maintained by any Lender or Agency or pursuant to Section 6.10 hereof, but shall not include repayment of any Negative Cash Flow Loans or Voluntary Loans or any other distributions or payments pursuant to Article X.

“Project State” means the Commonwealth of Virginia.

“Purchase Option Agreement” means that certain Purchase Option Agreement between the General Partner and the Partnership dated as of the date hereof.

“Qualified Income Offset Item” means (i) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner’s interest in the Partnership, or (c) pursuant to Treasury Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items and (ii) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner’s Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

“Qualified Tenant” means a household comprised of one or more persons (i) with income not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases an apartment unit in the Project under a lease having an original term of not less than 12 months at a rent not in excess of that specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

“Recapture Event” means, and shall be deemed to have occurred, if at any time during the Compliance Period the Project ceases to be a “qualified low income housing project” (as defined in Section 42(g)(1) of the Code) or any Low Income Unit in the Project ceases to be a “low income unit” (as defined in Section 42(i)(3) of the Code), and as a result thereof all or any portion of Annual Credits allowed to the Partnership and its Partners are subject to recapture pursuant to Code Section 42(j).

“Regulations” means the rules and regulations of any Agency which are applicable to the Project or the Partnership.

“Regulatory Agreement” means any regulatory agreements, affordability restrictions, restrictive covenants or other similar documents entered or to be entered into between or by the Partnership and/or for the benefit of any Lender or Agency with respect to the Property, as amended from time to time. The term, “Regulatory Agreement” includes, without limitation, the Extended Use Agreement.

“Related Agreements” means the Guaranty Agreement and each other agreement, promissory note and certificate referred to in the Document Schedule.

“Related Person” has the meaning set forth in Treasury Regulation Section 1.752-4(b) or any successor regulation thereto.

“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.

“Requisite Approvals” means any required approvals of the Lender and each Agency to an action proposed to be taken by the Partnership.

“Retirement” (including the forms “Retire” and “Retired”) means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution or voluntary or involuntary withdrawal from the Partnership for any reason. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law, death, incapacity or pursuant to any terms of this Agreement. A General Partner which is an Entity also will be deemed to have Retired upon the sale or other disposition of a Controlling Interest in such Entity without the Consent of the Investor Limited Partner.

“Sales Preparation Fee” has the meaning set forth in Section 9.2D.

“Schedule A” means the schedule of Partners annexed hereto as **Schedule A** as amended from time to time and as so amended at the time of reference thereto.

“Service” means the Internal Revenue Service.

“Seventy-Five Percent Completion Date” means the latest to occur of the following: (i) the receipt by the Investor Limited Partner of a written certification from the Construction Inspector, the Project Architect and the General Partner certifying that the work to be performed by the Builder under the Construction Contract is seventy-five percent (75%) complete (based upon the ratio of the cost of completed items under the Construction Contract to the total Construction Contract amount, taking into account change orders and other revisions, as of the date of such certification) in accordance with the Plans and Specifications; (ii) the receipt by the Investor Limited Partner of a certification of the General Partner, the Project Architect and the Construction

Inspector of a detailed description of the costs incurred by the Partnership under the Construction Contract; (iii) receipt by the Investor Limited Partner of lien waivers signed by the Builder and all sub-contractors with Material Sub-Contracts, prepared on forms provided by the Investor Limited Partner; (iv) receipt by the Investor Limited Partner of evidence satisfactory to the Investor Limited Partner that all sums due in connection with the construction of the Improvements have been paid in full or will be paid from the proceeds of the Second Installment; (v) the Investor Limited Partner has received copies of all AIA Applications of Payment submitted to the Partnership by the Builder and all sub-contractors with Material Sub-Contracts; (vi) written approval by the Investor Limited Partner of any changes to the original development budget, to the extent such approval is required under Section 6.1 of this Agreement, and construction completion timeline, together with evidence satisfactory to the Investor Limited Partner that sources of funds are available to the Partnership to pay for all remaining costs to complete the Project; and (vii) written approval of the Investor Limited Partner of all change orders in connection with the Construction Contract to the extent such approval is required under Section 6.1 of this Agreement.

“Short-Term Investments” means investments which are certificates of deposit or other interest-bearing short-term obligations of the Bank.

“Special Capital Contribution” means a capital contribution described in and made pursuant to Sections 4.1B, 6.4J and 6.8.

“Special Limited Partner” means CDC Special Limited Partner, L.L.C., a Georgia limited liability company, and shall include any successor in such capacity.

“Special Tax Counsel” means Nixon Peabody LLP, of Boston, Massachusetts, or other counsel acceptable to the Investor Limited Partner.

“Stabilized Occupancy Date” means the first date on which not less than 95% of the Low Income Units have been occupied by Qualified Tenants for a period of three (3) consecutive calendar months following the Completion Date under bona fide written leases with initial terms of not less than one (1) year at average rental rates (taking into account free rent and other concessions) not less than those forecast in the Investment Assumptions, and upon terms satisfying the requirements of Section 42 of the Code. For purposes of the foregoing definition, the status of tenants as Qualified Tenants shall have been confirmed to the Investor Limited Partner by the oversight manager referred to in Section 6.4K.

“Stabilized Operations Date” means the first day following a period of three (3) consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date during each of which such month, as determined by the Accountants, subject to reasonable review and approval by the Investor Limited Partner, the Project has achieved a Debt Service Coverage Ratio of not less than 1.15:1.

“State of Formation” means the State of Delaware.

“STCC” means SunTrust Community Capital, LLC, a Georgia limited liability company, and its successors and assigns.

“Submission Date” means the date upon which all of the following events have occurred:

(i) all applications and supporting documentation (including, without limitation, the Cost Certification) have been completed and submitted by the Partnership to the Credit Authority to obtain IRS Forms 8609 for the Buildings, and (ii) the Cost Certification has been submitted by the Partnership to the Credit Authority and to each Lender (to the extent required by each such Lender).

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.3.

“Supervisory Management Agreement” means the Supervisory Management Agreement of even date herewith between the Partnership and the General Partner providing for the payment of the Supervisory Management Fee.

“Supervisory Management Fee” means the fee payable to the General Partner under the Supervisory Management Agreement for its services thereunder.

“Tax Credit Application” means the application submitted to the Credit Authority to obtain the Credit Approval, as amended from time to time, including all documentation submitted to the Credit Authority concurrently therewith or pursuant thereto.

“Tax Credit Litigation Expenses” means all costs and expenses of every kind and nature (including third-party costs such as reasonable attorney’s fees, accountant’s fees, witness fees, and consultant’s fees) incurred by the Partnership or the Partnership Representative in connection with any audit or investigation of the Partnership by the Service and any administrative or judicial proceedings arising from any adjustment of Partnership items.

“Tax Credit Shortfall Payment” has the meaning attributed thereto in Section 5.2E.

“Tax-Exempt Loan” means the construction/permanent loan from the Governmental Lender in the initial principal amount of approximately \$13,345,000 funded by a loan from the Funding Lender to the Governmental Lender, which will have a term of 16 years, amortize over 35 years, and bear interest at a fixed rate equal to 4.67%, shortly after the closing of the Tax-Exempt Loan the Funding Lender will sell the Funding Loan to Freddie Mac pursuant to the Tax-Exempt Loan Documents.

“Tax-Exempt Loan Documents” means the documents executed in connection with the Tax-Exempt Loan, including but not limited to, the Tax-Exempt Note.

“Tax-Exempt Note” means the tax-exempt Multifamily Note in the principal amount of \$13,345,000 made by the Governmental Lender to finance the acquisition and development of the Project, which Tax-Exempt Note is subject to the Project State’s volume cap as provided in Section 146 of the Code and the interest on the Tax-Exempt Note is exempt from federal income tax under Sections 103 and 142 of the Code, pursuant to the terms of the Tax-Exempt Loan Documents.

“Title Insurance Proceeds” means the proceeds available to the Partnership deriving from recoveries under the Title Policy or from attorneys certifying title to the Project.

“Title Policy” means the owner’s policy of title insurance issued to the Partnership by

Stewart Title, as endorsed to include all required endorsements effective as of the date of Investment Closing in the amount of \$18,224,001 (which amount is approximately equal to the acquisition and development costs of the Project).

“TMP” means the Person designated as “tax matters partner” of the Partnership in accordance with Section 6.2.

“Treasury Regulations” means the regulations promulgated under the Code at the time of reference thereto.

“Uniform Act” means the uniform limited partnership act in effect in the State of Formation, as amended from time to time.

“Voluntary Loan” has the meaning attributed thereto in Article IX.B.

ARTICLE II

CONTINUATION; NAME, AND PURPOSE

Section 2.1 Continuation. The Partners hereby agree to continue the limited partnership known as “Hope Preservation LP” which was formed pursuant to the Uniform Act.

Section 2.2 Name and Office; Agent for Service.

A. The Partnership shall be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership shall be at 250 West 55th Street, 35th Floor, New York, New York 10019. The General Partner may at any time change the location of such principal office and shall give prompt notice of any such change to the Limited Partners.

B. The name and address of the agent of the Partnership for service of process in the State of Formation is: Stellar Corporate Services LLC, 3500 South DuPont Highway, Dover, Delaware 19901.

C. The name and address of the agent of the Partnership for service of process in the Project State is: Incorporating Services Ltd. 7288 Hanover Green Drive, Mechanicsville, Virginia 23111.

Section 2.3 Purpose. The purpose of the Partnership is to acquire, construct, rehabilitate, develop, repair, improve, maintain, operate, lease, dispose of and otherwise deal with the Project in accordance with any applicable Regulations and this Agreement. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts. In furtherance of its purpose, the Partnership, and the General Partner acting on its behalf (but subject to the provisions of Section 6.1B), are each hereby authorized:

- (i) To acquire, construct, rehabilitate, develop, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease the Project and any other real

estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

- (ii) To execute any and all notes, mortgages and security agreements in order to secure loans from any Lender and any and all other documents, including but not limited to the Project Documents, required by any Lender or Agency in connection with each Mortgage Loan and the acquisition, construction, rehabilitation, repair, development, improvement, maintenance and operation of the Property.
- (iii) To prepay in whole or in part, refinance, recast, increase, modify or extend any Mortgage Loan.
- (iv) To contract with any Person, including any Affiliate, to perform services for, or to sell goods to, the Partnership and to pay for such goods and services; provided that (except with respect to any contract specifically authorized by this Agreement) the terms of any such transaction with an Affiliate shall not be less favorable to the Partnership than would be arrived at by unaffiliated parties dealing at arms' length.
- (v) To execute agreements with any Agency.
- (vi) To execute leases of the apartment units in the Project.
- (vii) To execute the Related Agreements and any notices, documents or instruments in connection therewith or pursuant thereto.
- (viii) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purpose of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a limited partnership under the laws of the State of Formation and/or the Project State.

ARTICLE III

TERM AND DISSOLUTION

A. The Partnership shall continue in full force and effect in perpetuity except that the Partnership shall be dissolved prior to such date upon:

- (i) a sale or other disposition of all or substantially all of the assets of the Partnership that results in a "liquidation" of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations;
- (ii) the election to dissolve the Partnership made in writing by the General Partner with the Consent of the Investor Limited Partner and any Requisite Approvals; or
- (iii) the entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

The Partnership shall not be dissolved by the resignation, withdrawal, bankruptcy or dissolution of a Partner.

B. Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Article VII), the General Partner (or for purposes of this paragraph its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate and liquidation of the Partnership in accordance with the provisions of this Agreement and the Regulations.

ARTICLE IV

PARTNERS; CAPITAL

Section 4.1 General Partner.

A. Hope Preservation GP LLC is the General Partner of the Partnership. Its address and Capital Contributions are set forth in **Schedule A**. In no event shall the aggregate Capital Contributions of the General Partner (excluding any Special Capital Contributions and any Capital Contributions made pursuant to Sections 5.2E and 6.2G) exceed \$100 without the Consent of the Investor Limited Partner.

B. In the event that there shall remain any outstanding balance of Deferred Development Fee on the earlier to occur of the fifteenth (15th) anniversary of the Completion Date or an earlier liquidation of the Partnership, the General Partner shall within ten (10) days thereafter make a Special Capital Contribution to the Partnership in an amount equal to such outstanding obligation and shall cause the Partnership to promptly apply the proceeds thereof to the payment of such outstanding Deferred Development Fee.

Section 4.2 Limited Partners.

A. STCC Hope Preservation, LLC is hereby admitted to the Partnership as the Investor Limited Partner. Its address and Capital Contribution in such capacity are set forth in **Schedule A**. The payment of its Capital Contribution is governed by Section 5.1.

B. CDC Special Limited Partner, L.L.C. is hereby admitted to the Partnership as the Special Limited Partner. Its address and Capital Contribution in such capacity are set forth in **Schedule A**.

C. The Original Limited Partner is FA Acquisitions LLC. By execution of this Agreement, the Original Limited Partner hereby withdraws as a Partner of the Partnership and, as such, shall have no further rights or obligations with respect to the Partnership.

Section 4.3 Partnership Capital and Capital Accounts.

A. The capital of the Partnership shall be the aggregate amount contributed by the Partners as set forth in **Schedule A**. No interest shall be paid by the Partnership on any Capital Contribution. **Schedule A** shall be amended and, if necessary or appropriate, amendments to the Certificate shall be filed from time to time to reflect the withdrawal or admission of Partners and

any changes in the Interest held or amounts contributed or agreed to be contributed by any Partner.

B. An individual Capital Account shall be established and maintained for each Partner. The original Capital Account established for each substituted Partner shall be in the same amount as, and shall replace, the Capital Account of the Partner which such substituted Partner succeeds, and such substituted Partner shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Partner which such substituted Partner succeeds. To the extent a substituted Partner receives less than 100% of the Interest of a Partner it succeeds, the original Capital Account of such substituted Partner and its Capital Contribution shall be in proportion to the Interest it receives and the Capital Account of the Partner who retains a partial Interest in the Partnership and his Capital Contribution shall continue, and not be replaced, in proportion to the Interest it retains. The term “substituted Partner”, as used in this paragraph, shall mean a Person who shall become entitled to receive a share of the allocations and distributions of the Partnership by reason of such Person succeeding to the Interest of a Partner by assignment of all or any part of a Partner’s Interest. Any special basis adjustments under Section 743 of the Code resulting from an election by the Partnership pursuant to Section 754 of the Code shall not be taken into account for any purpose in establishing and maintaining Capital Accounts for the Partners pursuant to this Section 4.3.

Section 4.4 Withdrawal of Capital. Except as may be specifically provided in this Agreement, no Partner shall have the right to (a) withdraw from the Partnership all or any part of his Capital Contribution or (b) demand and receive property of the Partnership in return for his Capital Contribution or in respect of his Interest.

Section 4.5 Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall be liable only to make payments of its Capital Contribution as and when due hereunder. After its Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further capital contributions or payments or lend any funds to the Partnership.

Section 4.6 Additional Limited Partners. The General Partners may admit additional Limited Partners only with the Consent of the Investor Limited Partner.

Section 4.7 Agreement and Project Documents Bind Partners. Each General Partner and Limited Partner shall be bound by this Agreement and the Project Documents. Any incoming General Partner and/or Limited Partner shall as a condition of receiving any Interest also be bound by this Agreement and the Project Documents to the same extent and on the same terms as the other General Partners and Limited Partners, respectively. Upon any dissolution of the Partnership or any transfer of the Property while any Mortgage is held by any Lender, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any Person who is not, or does not become, bound in a manner satisfactory to the Lender and the Agency to the Project Documents and this Agreement. The Project Documents shall be binding upon and shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns as long as the corresponding Mortgage Loan shall be outstanding.

ARTICLE V

CAPITAL CONTRIBUTIONS OF INVESTOR LIMITED PARTNER

Section 5.1 Installments of Capital Contributions.

A. The Investor Limited Partner shall contribute as its Capital Contribution to the Partnership the sum of \$4,879,000 (subject to adjustment as set forth herein), payable in six (6) installments (the “Installments”) as follows:

- (i) An amount equal to \$487,900 (the “First Installment”) on the latest to occur of: (a) Investment Closing, (b) acquisition by the Partnership of fee title to the Land (which may occur contemporaneously with payment of this Installment), (c) the closing and initial funding of the Tax-Exempt Loan to the extent contemplated in the closing requisition (which may occur contemporaneously with payment of this Installment), (d) receipt of the Credit Approval, (e) receipt of the HAP Contract, and (f) satisfactory completion of the Investor Limited Partner’s due diligence and closing requirements;

Concurrently with payment of the First Installment, the Partnership will pay to the Investor Limited Partner as reimbursement for its attorney and other third-party fees incurred by the Investor Limited Partner in connection with its investment in the Partnership in an amount not to exceed \$50,000 (the “Expense Reimbursement”).

- (ii) An amount equal to \$975,800 (the “Second Installment”) on the later to occur of: (a) the Fifty Percent Completion Date and (b) April 1, 2019;
- (iii) An amount equal to \$975,800 (the “Third Installment”) on the later to occur of: (a) the Seventy-Five Percent Completion Date and (b) July 1, 2019;
- (iv) An amount equal to \$975,800 (the “Fourth Installment”) on the Completion Date;
- (v) An amount equal to \$731,850 (the “Fifth Installment”) on the latest to occur of: (a) delivery to the Investor Limited Partner of a copy of the final Cost Certification (including Fifty Percent Test Qualification) previously approved by the Investor Limited Partner, (b) the Submission Date, (c) the Stabilized Occupancy Date, (d) the Stabilized Operations Date, (d) receipt of an as-built ALTA/NSPS survey for the Project in form and substance reasonably acceptable to the Limited Partner (e) Final Closing (which may occur contemporaneously with payment of this Installment), (f) funding of the Operating Reserve (which may occur simultaneously with the payment of this Installment), (g) submission of application for IRS Form 8609 for each of the Buildings to the Credit Agency, (h) the recording of the Extended Use Agreement, and (i) January 1, 2020; and
- (vi) An amount equal to \$731,850 (the “Sixth Installment”) on the later to occur of: (a) receipt of a properly completed and signed IRS Form 8609 for each of the Buildings, and (b) April 1, 2020.

B. The obligation of the Investor Limited Partner to make each Installment (except as otherwise provided) is subject to each of the following conditions:

- (i) The General Partner shall have properly completed, executed and delivered to the Investor Limited Partner a certificate (the “Payment Certificate”), in the form attached hereto as Exhibit 2, Exhibit 3, Exhibit 4, Exhibit 5 and Exhibit 6 (relating to the Second, Third, Fourth, Fifth and Sixth Installments, respectively), dated the date such Installment is to be paid to the Partnership, a current date-down endorsement to the Title Policy, and any other materials referred to in the Payment Certificate. In connection with the payment of each Installment, the Special Limited Partner and the Construction Inspector shall have the right to conduct a physical inspection of the Property to confirm the status of construction or to determine that the condition of the Project is consistent with sound business practices in the geographic area in which the Project is located, including no deferred maintenance.
- (ii) In the case of the First Installment, (a) all Requisite Approvals to the admission of the Investor Limited Partner and the Special Limited Partner pursuant to this Agreement shall have been obtained, and (b) the Credit Authority shall have issued the Credit Approval.
- (iii) Each of the representations and warranties set forth in Section 6.5 shall be true and correct.
- (iv) No event shall have occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3.
- (v) From and after the date of the occurrence of a Retirement of a General Partner or an Event of Bankruptcy as to any General Partner, the Developer or any Guarantor, the obligation of the Investor Limited Partner to pay the Installments shall be suspended, and such obligation shall be reinstated only when such Retirement or Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.
- (vi) No Installment shall become due and payable unless and until all prior Installments shall have become due and payable or the conditions therefor have been waived in writing by the Investor Limited Partner.
- (vii) All Installments shall be deposited in to an equity account and disbursed in accordance with the terms of the Tax-Exempt Loan Documents; provided, however, if any event any portion of any installment prior to the Fourth Installment is not required to be deposited as set forth in the Tax-Exempt Loan Documents then such Installment shall be paid on monthly draw basis only after each one of the conditions precedent to payment of the applicable Installment under Section 5.1A above have been achieved. In order to fund each such draw constituting a portion of such Installment, the General Partner shall submit to the Special Limited Partner

no more frequently than once per month an Application and Certificate for Payment on AIA Document G702 and G703 certified by the Project Architect and the General Partner (which Application and Certificate shall also show the amounts being requested in connection with the Mortgage Loans), and all change orders and supporting documentation, accompanied by a conditional waiver and release upon payment, executed by the Builder, each in a form and substance satisfactory to the Special Limited Partner and the Construction Inspector, as well as copies of all draw requests previously approved by the Lender but not previously delivered to the Special Limited Partner, and each such draw request shall be funded by the Investor Limited Partner within ten (10) business days of the date such draw request is approved by the Special Limited Partner. Such Application and Certificate for Payment shall be submitted to the Special Limited Partner prior to submission of same to the any Lender for approval. The Investor Limited Partner shall not be obligated to fund such draw request in the event a Lender refuses to fund its draw request as approved by the Special Limited Partner.

Section 5.2 Adjustment to Capital Contributions of Investor Limited Partner

The Capital Contribution of the Investor Limited Partner shall be subject to adjustment in the manner provided in this Section 5.2.

A. Federal Low Income Tax Credit Downward Basis Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is or will be less than \$5,245,704 (the "Projected Aggregate Federal Low Income Tax Credit Amount"), then the Capital Contribution of the Investor Limited Partner shall be reduced in the aggregate by the sum of (i) \$0.93 (the "Federal Low Income Tax Credit Downward Basis Adjustment Factor") for each \$1.00 that the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is less than the Projected Aggregate Federal Low Income Tax Credit Amount, *plus* (ii) the amount of any interest and/or penalties paid or payable by the Investor Limited Partner (or its participants) as a result of any Recapture Event affecting the foregoing calculation, *plus* (iii) the amount of any legal, accounting, or other expenses incurred by the Investor Limited Partner in connection with clauses (i) or (ii). If any subsequent determination is made as to the amount of Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period pursuant to Section 5.2 and such amount is different than the Projected Aggregate Federal Low Income Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term "Projected Aggregate Federal Low Income Tax Credit Amount" shall mean the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner as previously adjusted *provided that* any required adjustments or payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

B. Federal Low Income Tax Credit Downward Timing Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination pursuant to which, the amount of the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner is less than \$524,570 in 2019 (the "Federal Downward Timing

Adjuster Target Amounts”), then the Capital Contribution of the Investor Limited Partner shall be reduced by \$0.55 for each \$1.00 that the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner in 2019 is less than the applicable Federal Downward Timing Adjuster Target Amounts for such years. Further notwithstanding the foregoing, however, in the event that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period shall vary from the Projected Aggregate Federal Low Income Tax Credit Amount in effect on the date of the Investment Closing, the Federal Downward Timing Adjuster Target Amounts for purposes of the preceding sentence shall be adjusted by the same percentage by which the actual Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period varies from the Projected Aggregate Federal Low Income Tax Credit Amount.

C. Federal Low Income Tax Credit Upward Basis Adjuster. If the Accountants shall determine at the time of the final Installment (based upon the final IRS Forms 8609 for all of the Buildings comprising the Project) that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is or will be greater than the Projected Aggregate Federal Low Income Tax Credit Amount (the “Additional Federal Low Income Tax Credits”), then the Capital Contributions of the Investor Limited Partner shall be increased by \$0.93 (the “Federal Low Income Tax Credit Upward Basis Adjustment Factor”) for each \$1.00 that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is greater than the Projected Aggregate Federal Low Income Tax Credit Amount. Notwithstanding the foregoing, the cumulative increase in the Investor Limited Partner’s Capital Contributions pursuant to this Section 5.2C, together with any increase under Section 5.2D, shall not exceed \$487,900 (which amount equals approximately 10.00% of the total Capital Contributions of the Investor Limited Partner) (the “Maximum Upward Adjustment Amount”). The Investor Limited Partner has no obligation to increase its Capital Contributions in excess of the Maximum Upward Adjustment Amount and any failure by the Investor Limited Partner to do so will not constitute a default by the Investor Limited Partner under this Agreement; provided, however, if the Federal Low Income Tax Credit Upward Basis Adjuster would be greater than the Maximum Upward Adjustment Amount and the Limited Partner declines to provide an increase to the Federal Low Income Tax Credit Upward Basis Adjuster for such greater amount, then the Partner Interest of the Partners will be adjusted accordingly so that the excess Federal Low Income Housing Tax Credits over the Projected Aggregate Federal Low Income Tax Credit Amount for which the Investor Limited Partner is not making a Capital Contribution will be allocated to the General Partner.

D. [Intentionally Omitted].

E. Application of Adjustments. If, upon the occurrence of any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2 (aggregating and/or netting all concurrent adjustments applicable to the Investor Limited Partner under this Section 5.2), including without limitation a Recapture Event, there is a reduction in such Capital Contribution, then such reduction shall be applied first to reduce the amount of any unpaid Installments of the Capital Contribution of the Investor Limited Partner, in order, until said adjustment is paid in full. If the reduction exceeds the amount of such unpaid

Installments, or occurs after all Installments have been paid, then, within sixty (60) days of the date of the determination, the General Partner shall make a payment on an After-Tax Basis in the amount of such excess (a “Tax Credit Shortfall Payment”) to either: (i) the Partnership as a Capital Contribution, the proceeds of which shall be immediately distributed by the Partnership to the Investor Limited Partner, provided that the Investor Limited Partner has determined with the advice of Special Tax Counsel that losses (and any corresponding Tax Credits) projected to be allocated to the Investor Limited Partner during the Compliance Period will not be reallocated to another Partner as a result of the application of Section 704(b) of the Code and the Treasury Regulations thereunder, or (ii) directly to the Investor Limited Partner as a payment for breach of warranty, in which case the payment thereof shall not constitute a Capital Contribution, loan or advance to the Partnership and shall not be reimbursable by the Partnership. If full payment is not received within such sixty (60)-day period, the unpaid balance shall thereafter bear interest at the Designated Interest Rate. Notwithstanding the foregoing, any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2, including without limitation a Recapture Event, that results solely from any of the following events shall not require payment under this Section 5.2 by the General Partner or any Guarantor or cause a reduction of the Investor Limited Partner’s Capital Contribution: (i) a Change in Tax Law, or (ii) a transfer of all or a portion of the Investor Member’s Interest in the Company.

Section 5.3 Repurchase Requirements.

A. If any of the following events shall occur, the General Partner, at the election of the Investor Limited Partner, shall purchase the Interest of the Investor Limited Partner as provided below in this Section 5.3:

- (i) the Completion Date shall not have occurred on or before March 31, 2020;
- (ii) at any time prior to Final Closing, (1) any action to foreclose any Mortgage shall have been commenced and such action is not terminated or withdrawn within 90 days or a binding agreement with the holder(s) thereof to effect the same entered into within such period, and any notice of acceleration of indebtedness waived or withdrawn; (2) any action is commenced to foreclose any mechanics’ or any other lien (other than the lien of any Mortgage) against the Project and such action has not within 90 days been either bonded against or insured over in such a manner as to preclude the holder of such lien from having any recourse to the Property or to the Partnership for payment of any debt secured thereby, or affirmatively insured against by the title insurance policy or an endorsement thereto issued to the Partnership by a reputable title insurance company (which insurance company will not have indemnity from or recourse against Partnership assets by reason of any loss it may suffer by reason of such insurance) in an amount satisfactory to Special Tax Counsel; (3) rehabilitation or operation of the Project shall have been enjoined by a final order (from which no further appeals are possible) of a court having jurisdiction and such injunction shall continue for a period of 90 days; (4) a casualty occurs resulting in destruction of 30% or more of the Project and the insurance proceeds (if any), are insufficient to restore the Project or the Project is not so restored within 24 months following such casualty; or (5) the Project shall become ineligible for 20% or more of the Federal Low Income Housing Tax Credits

anticipated to be generated by the Project, calculated on the basis of the information set forth in the Investment Assumptions; or

- (iii) any of the Commitments is terminated, withdrawn or become unenforceable prior to Final Closing (except as a result of full performance thereof in accordance with its terms) and such Commitment is not reinstated (or replaced on terms at least as favorable to the Partnership as determined by the Special Limited Partner) within ninety (90) days, or any interest rate lock expires prior to Final Closing, or the Project qualifies for a Mortgage Loan amount that is insufficient to balance the Project's sources and uses unless such financing gap is funded by the General Partner; or
- (iv) the Partnership shall redeem any of the Bonds prior to the Completion Date and/or shall fail to achieve Fifty Percent Test Qualification prior to the end of the first year of the Credit Period; or
- (v) the Partnership fails to achieve the minimum set-aside test selected by the Partnership pursuant to Section 42(g) of the Code and/or fails to record the Extended Use Agreement in the appropriate filing office by December 31st of the first year of the Credit Period; or
- (vi) the Partnership shall not have received a properly completed and signed IRS Forms 8609 for each of the Buildings by the due date required by the Credit Authority (subject to all extensions), and such failure impairs the ability of the Investor Limited Partner to claim Tax Credits for the first year of the Credit Period.

If any such event shall occur, the General Partner shall give notice to the Investor Limited Partner of its right to cause the General Partner to purchase the Investor Limited Partner's Interest (such obligation being herein called a "Purchase Obligation" and such notice the "Purchase Obligation Notice") within 30 days after the occurrence of any event giving rise to such obligation. If the Investor Limited Partner elects to sell its Interest hereunder, it shall give the General Partner notice of such election (an "Election Notice") within 30 days after such Purchase Obligation Notice is received by it or, in the event that the General Partner fails to deliver the Purchase Obligation Notice, at any time after the occurrence of such event.

Within 45 business days after delivery of an Election Notice, the General Partner shall pay the Investor Limited Partner a purchase price (the "Purchase Price") in cash equal to (i) the sum of (a) the Investor Limited Partner's paid-in Capital Contributions *plus* (b) interest on the amounts described in clause (a) at 5% (calculated on a monthly basis and compounded annually) from the date of payment of the respective Installments thereof through the date of payment of the Purchase Price *plus* (c) the reasonable direct expenses incurred by the Investor Limited Partner in connection with the initial acquisition of its Interest in the Partnership *plus* (d) the reasonable direct costs incurred by the Investor Limited Partner in enforcing its rights and collecting the sums due to it under this Section 5.3 *plus* (e) the amount of any interest or penalties payable in connection with any recapture of Federal Low Income Housing Tax Credits allocated to the Investor Limited Partner pursuant to this Agreement *less* (ii) the sum of (a) the amount of any Cash Flow theretofore distributed by the Partnership in respect of the Investor Limited Partner's Interest *plus* (b) the

amount of any Federal Low Income Housing Tax Credits allocated to the Interest which will not be recaptured as a result of the disposition of said Interest or otherwise.

B. Upon the giving of its Election Notice, the Investor Limited Partner shall have no further obligations under this Agreement, and the General Partner shall indemnify and defend the Investor Limited Partner and hold it harmless against any such obligations. The General Partner shall take all action and shall pay all costs necessary to enable the Investor Limited Partner to receive and retain the Purchase Price as against any creditor of any General Partner or the Partnership. Notwithstanding the purchase by the General Partner of the Interest of the Investor Limited Partner, to the extent permitted under the applicable provisions of the Code, the Investor Limited Partner shall be allocated any profits or losses and tax credits in respect of said Interest for the period prior to the date of the receipt by the Investor Limited Partner of payment therefor. Anything herein to the contrary notwithstanding, title to the Interest of the Investor Limited Partner shall not vest in the General Partner until payment in full of the Purchase Price therefor. Upon such payment, the General Partner shall forthwith cause an amendment hereto and any other necessary papers to be executed, filed, recorded and published wherever required showing such substitution.

C. No agreement affecting the Project shall prevent the exercise by the Investor Limited Partner of its right to require the purchase by the General Partner of its Interest in the manner described in this Section 5.3.

D. The Investor Limited Partner may waive its right to have its Interest repurchased pursuant to any clause(s) of Section 5.3A at any time during which such right shall be in effect. Any such waiver shall be exercised by delivery to the General Partner of a written notice stating under which clause(s) of Section 5.3A it is waiving its right to have its Interest repurchased and that its rights thereunder are thereby irrevocably waived from that date forward.

E. Should the General Partner repurchase the Interest of the Investor Limited Partner pursuant to this Section 5.3, then the Special Limited Partner agrees to withdraw from the Partnership at the same time the Investor Limited Partner's withdrawal is effective.

Section 5.4 Redemption of Investor Limited Partner's Interest.

The Investor Limited Partner shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to require the Partnership to redeem the Interest of the Investor Limited Partner for a redemption price of \$100, and the Partnership shall promptly so redeem such Interest, following which the Investor Limited Partner will cease to be a Partner. Concurrently with the exercise of the foregoing right, the Partnership shall also be required to redeem the Interest of the Special Limited Partner for a redemption price of \$10, following which the Special Limited Partner shall cease to be a Partner.

ARTICLE VI

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNERS

Section 6.1 Restrictions on Authority.

A. Notwithstanding any other provisions of this Agreement, the General Partner shall have no authority to perform any act in respect of the Partnership or the Project in violation of (i) any applicable law or regulation or (ii) any agreement between the Partnership and any Lender or Agency.

B. The General Partner shall have no authority to do any of the following acts without the Consent of the Investor Limited Partner and any Requisite Approvals:

- (i) to borrow money, incur indebtedness for money borrowed on the general credit of the Partnership (other than liabilities not in excess of \$10,000 which are in the approved budget prepared by the Management Agent in accordance with this Agreement), issue evidences of indebtedness or secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Property or any other assets of the Partnership, or
- (ii) following completion of rehabilitation of the Improvements, to construct any new capital improvements (including but not limited to the installation of solar panels or cellular tower facilities), or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Property, or
- (iii) to acquire any real property in addition to the Property (other than easements or similar rights necessary or convenient for the operation of the Project), or
- (iv) to cause the Partnership to make any loan or advance to any Person (for purposes of this clause 6.1B(iv), accounts receivable in the ordinary course of business from Persons other than the General Partner or its Affiliates shall not be deemed to be advances or loans), or
- (v) to lease any Low Income Unit to other than any individuals who certify that they are Qualified Tenants or otherwise operate the Project in such a manner or take any action which could cause any Low Income Unit to fail to be treated as a qualified low-income housing unit under Section 42(i)(3) of the Code or which would cause the recapture by the Partnership of any low-income housing credit under Section 42 of the Code, or
- (vi) after Investment Closing, to enter into any agreement with any Lender or Agency, or
- (vii) to materially amend any Project Document, or to waive or permit any party thereunder to waive, any provision of any material Project Document, or
- (viii) to prepay in whole or in part, increase, refinance, renew, recast, modify or extend any Mortgage Loan after Investment Closing; provided, however, that the Investor Limited Partner shall not unreasonably withhold its Consent for a refinancing of the Mortgage Loan within six (6) months of the maturity of such Mortgage Loan, or
- (ix) to sell or convey the Property or any substantial portion thereof, except that the

General Partner may cause the Partnership to grant easements and similar rights affecting the Land to obtain utility services for the Project or for other purposes necessary or convenient for the operation of the Project, or

- (x) to cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any Person other than the Partnership, or
- (xi) to cause the Partnership to accept or receive any grant;
- (xii) to pledge or assign any of the Capital Contributions of the Investor Limited Partner or the proceeds thereof, or
- (xiii) to amend any of the Related Agreements, or
- (xiv) to permit the merger, termination or dissolution of the Partnership, or
- (xv) to dismiss the Accountants or to engage a new firm as Accountants, or
- (xvi) to approve any changes to the Plans and Specifications for the Project which would result individually in an overall development cost increase or decrease in excess of \$50,000 (provided, however, that any Consent of the Investor Limited Partner required under this clause (xvi) shall not be unreasonably withheld), or
- (xvii) to take any action which would cause the Property or any part thereof to be treated as tax exempt use property within the meaning of Section 168(h) of the Code, or
- (xviii) to approve any entering into, modification of, or termination of any hedge arrangement (e.g., a cap, collar, floor or swap) or any other similar product in connection with a financing that has a floating interest rate, or
- (xix) to file a lawsuit on behalf of the Partnership (other than lease enforcement, collection or other routine legal actions in the ordinary course of business of the Partnership), or
- (xx) to take any action that would subject any Limited Partner to liability for the debts and obligations of the Partnership in any jurisdiction, or
- (xxi) to engage any sale or leasing agent or broker other than the approved Management Agent, or
- (xxii) to cancel or fail to renew the insurance coverages required under **Exhibit 8**, or

- (xxiii) to decide not to repair or rebuild in case of material damage to the Project, or any portion thereof, arising out of a casualty or condemnation, or
- (xxiv) to hire any employees for any purposes, or
- (xxv) to take any action outside of the ordinary course of business of the Partnership, or
- (xxvi) to execute any material agreements with any Agency.

Section 6.2 Partnership Audits; Tax Matters Partner and New Subchapter 63C

A. The General Partner is hereby designated as the “tax matters partner” (as described in Section 6231(a)(7) of the Code) for the Partnership, which designation shall remain in effect at all times prior to the effective date of the amendment to Subchapter 63C of the Code pursuant to the Bipartisan Budget Act of 2015, P.L. 114-74 (together with any subsequent amendments thereto, the “Budget Act”) unless otherwise agreed to by the Partners. Upon the Retirement of the Person serving as the TMP (the “Retired TMP”), the Partnership shall designate a successor TMP in accordance with Section 301.6231(a)(7)-1 of the Treasury Regulations or any successor Regulation, but such designee shall not become the TMP until the designation of such Person has been approved by Consent of the Investor Limited Partner. Such successor TMP shall notify the Service of its designation as such for such year as well as for all prior years for which the Retired TMP served in such capacity.

B. The TMP shall employ experienced tax counsel acceptable to the Investor Limited Partner to represent the Partnership in connection with any audit or investigation of the Partnership by the Service or other taxing authority, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Partnership expense and shall be paid by the Partnership. Such counsel shall be responsible for representing the Partnership; it shall be the responsibility of the General Partner and of the Investor Limited Partner, at their own expense, to employ tax counsel to represent their respective separate interests. In the event that the General Partner is not the TMP, the General Partner shall cooperate fully with the TMP and tax counsel in the conduct of any audit or tax contest.

C. The TMP shall keep the Partners reasonably informed of all administrative and judicial proceedings within the meaning of Section 6223(g) of the Code (prior to amendment of Subchapter 63C of the Code by the Budget Act), and shall furnish to each Partner a copy of each notice or other communication sent by the TMP or by Partnership tax counsel to the Service or other taxing authority or received by the TMP or by Partnership tax counsel from the Service or other taxing authority (except such notices or communications as are sent directly to such requesting Partner by the Service or other taxing authority or Partnership tax counsel) within five (5) calendar days after mailing by the TMP or receipt by the TMP (as applicable) of such notice or communication and a written summary of the nature and substance of any conversation held with any representative of the Service or other taxing authority within five (5) calendar days of such conversation.

D. With respect to the Partnership, the TMP shall have no authority, without the Consent of the Investor Limited Partner, to (i) enter into a settlement agreement with the Service or other taxing authority which purports to bind Partners or the Partnership, (ii) file a petition for

judicial review or readjustment, (iii) intervene in any action brought by any other Partner for judicial review of a final adjustment, (iv) file any request for administrative adjustment with the Service or other taxing authority at any time, (v) enter into an agreement extending the period of limitations for assessing any tax, (vi) file any amended tax returns, or (vii) take any other substantial action which would affect (directly or indirectly) the Investor Limited Partner.

E. Unless otherwise directed in writing to do so by the Investor Limited Partner, the Partnership shall not elect to have the provisions of the Budget Act apply to the Partnership before its general effective date. With respect to Partnership taxable years to which the provisions of Subchapter 63C of the Code (as amended by the Budget Act) apply, unless and until otherwise directed by the Investor Limited Partner, the General Partner shall constitute the “partnership representative” under Section 6223 of the Code (as in effect pursuant to the Budget Act) of the Partnership (the “Partnership Representative”), and the General Partner shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate itself the Partnership Representative of the Partnership. The Investor Limited Partner may elect to designate another Person to be the Partnership Representative at any time when: (i) the General Partner is in default under this Agreement which default has not been cured, (ii) the General Partner has committed a Material Default under this Agreement or any condition exists where the Investor Limited Partner could require the General Partner to repurchase its Interest pursuant to Section 5.3 of this Agreement, or (iii) there is an audit or investigation which, if decided adversely, would cause a loss of Tax Credits or Losses allocated or expected to be allocated to the Investor Limited Partner, in which event the General Partner and/or the Partnership Representative, as the case may be, shall take any and all action required to implement such designation; *provided, however*, if such Person is not a Partner, then such Person cannot be designated as the Partnership Representative until such time as such Person agrees in writing to be bound by the terms of this Section 6.2; and *provided, further*, that such Person designated as the Partnership Representative shall not take any actions on behalf of the Partnership in its capacity as Partnership Representative until the revocation or resignation of the prior Partnership Representative becomes effective under the Code or Treasury Regulations. To the extent that the Treasury Regulations require the Partnership Representative to designate an individual as the sole individual through whom the Partnership Representative will act for purposes of Subchapter 63C of the Code (as amended by the Budget Act), (i) the Partnership Representative shall not designate an individual to serve in such role until the designation of such individual has been approved by Consent of the Investor Limited Partner and (ii) before such designation, the Partnership Representative shall cause such individual to agree in writing to be bound by the terms of this Section 6.2. If an individual has been so designated, such individual shall be bound by the same obligations and restrictions imposed on the Partnership Representative hereunder.

F. The Partnership Representative shall be bound by the same obligations and restrictions imposed on the TMP under the Code and Treasury Regulations in effect before the Budget Act amendment and under the terms of this Agreement and entitled to the same rights granted to the TMP under this Section 6.2. For the avoidance of doubt, the Partnership Representative acknowledges that its obligations and limitations under this Agreement, including, without limitation, its obligation to keep the Partners informed of all administrative and judicial proceedings under Section 6.2C and the limitations on its authority set forth in Section 6.2D, are based (in part) on the obligations and limitations that applied to the TMP under the Code prior to its amendment by the Budget Act and exceed its obligations and limitations set forth in Subchapter

63C of the Code as amended by the Budget Act, and agrees to perform its duties in accordance with this Section 6.2. In addition, the Partnership Representative shall timely raise any defense to any penalty, addition to tax or additional amount and shall timely request any imputed underpayment modification acceptable to the Investor Limited Partner. Upon the promulgation of additional Treasury Regulations implementing Subchapter 63C of the Code (as amended by the Budget Act), or upon further amendment of Subchapter 63C of the Code, the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 6.2, while conforming with the applicable provisions of the revised partnership audit procedures. The Partners agree to work together in good faith to make elections and amend this Agreement (if any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the TMP and Partnership Representative, and any action taken by the General Partner or other Partnership Representative pursuant to this Section, including any election permitted under the Budget Act or any similar election permitted under state or local law, shall be made only with the Consent or at the direction of the Investor Limited Partner. Notwithstanding anything to the contrary herein, the General Partner or other Partnership Representative shall make any election permitted under Subchapter 63C of the Code (as amended by the Budget Act) or any similar election permitted under state or local law to the extent it is directed to do so by the Investor Limited Partner and shall cooperate fully with the Investor Limited Partner to effectuate such election.

G. With respect to any federal, state or local income tax, if for any reason the Partnership is required to make a payment for any underpayment of tax or related interest or penalty as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith, and the obligation to make such payment will not be satisfied directly by the Partners or former Partners pursuant to an election under Section 6226 of the Code (as amended by the Budget Act), a modification permitted under Section 6225(c) of the Code (as amended by the Budget Act), or any similar election or modification permitted under the Code (as amended by the Budget Act) or state or local law, then each Partner shall pay to the Partnership an amount equal to that Partner's (or, to the extent that such Partner was not a partner in the Partnership with respect to the audited taxable year(s), its former Partner) proportionate share of such payment based on the amount each Partner (or its former Partner) should have borne (computed at the tax rate used to compute Partnership's imputed underpayment) had the Partnership's tax return for such audited taxable year(s) reflected the partnership adjustment. For the avoidance of doubt, nothing in this Section 6.2G modifies or waives any other obligation of the General Partner under this Agreement including, without limitation, the obligation of the General Partner to make Tax Credit Shortfall Payments under Section 5.2 whether the liability is assessed to the Partnership or the Partners (or former Partners) to whom the Federal Low Income Housing Tax Credits were allocated.

H. If for any reason the Partnership receives any amounts from the Service or other taxing authority with respect to a net positive adjustment as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith, then the Partnership shall distribute to each Partner a proportionate share of such amount, as adjusted to account for any other partnership adjustments with respect to the audited taxable year(s), based on the amount each Partner (or, to the extent that such Partner was not a partner in the Partnership with respect to the taxable year to which the net positive adjustment relates, its predecessor) should have received (taking into account any adjustments under Subchapter 63C of the Code, as amended

by the Budget Act) had the Partnership's tax return for such audited taxable year(s) reflected the net positive adjustment and any other partnership adjustments with respect to the Partnership for the audited taxable year(s).

I. To the extent of available funds, the Partnership shall indemnify the TMP or Partnership Representative (as applicable) against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the TMP or Partnership Representative in its capacity as the TMP or Partnership Representative, and not its capacity as a Partner or a former Partner, in connection with any audit or administrative or judicial proceeding in which the TMP or Partnership Representative is involved solely by reason of being the TMP or Partnership Representative of the Partnership, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the TMP or Partnership Representative (as applicable) and were the result of a course of conduct which such TMP or Partnership Representative (as applicable), in good faith, reasonably believed to be in the best interests of the Partnership or its Partners and within the scope of its authority under this Section 6.2.

J. The relationship of each of the TMP and the Partnership Representative to the Investor Limited Partner is that of a fiduciary, and each of the TMP and Partnership Representative acknowledges its fiduciary obligation to perform its duties in such manner as will serve the best interests of the Partnership and the Investor Limited Partner. The obligations of the Partners and former Partners under this Section 6.2 shall survive the termination of this Agreement or such former Partner's status as a Partner.

Section 6.3 Business Management and Control; Designation of General Partner; Certain Rights of the Limited Partners; Independent Activities.

A. The General Partner shall have the exclusive right to manage the business of the Partnership in accordance with this Agreement. No Limited Partner shall have any authority or right to act for or bind the Partnership.

B. Subject to the provisions of Section 6.1 and the other limitations set forth herein, the General Partner is hereby authorized to execute and deliver in the name and on behalf of the Partnership all such documents and papers (including any required by any Lender or Agency) as the General Partner deems necessary or desirable in carrying out its duties hereunder. In the event there shall be more than one General Partner, the powers of the General Partners hereunder shall be exercised by the majority-in-interest of the General Partners except as expressly provided to the contrary herein. A designation of a successor General Partner or the designation of an additional General Partner pursuant to Sections 6.3C or 7.7 shall supersede any designation or other exercise of rights pursuant to this Section 6.3B.

C. In the event that (i) the Partnership is in material default of any of its obligations under one or more of the Project Documents, which default has resulted in a default of the Mortgage Loan and in the reasonable judgment of the Special Limited Partner, is likely to result in a foreclosure of any Mortgage Loan, (ii) any General Partner, Developer or Guarantor is in default in any material respect under this Agreement or any of the Related Agreements, (iii) a Recapture Event shall have occurred, (iv) the Partnership shall be incurring operating deficits in

excess of Negative Cash Flow Loans or Voluntary Loans made with respect thereto, (v) the General Partner shall Retire, (vi) the Special Limited Partner serves written notice of removal on one or more General Partners pursuant to Section 7.7, (vii) an Event of Bankruptcy shall have occurred as to a General Partner, Developer or Guarantor, or (viii) a General Partner or a Designated Affiliate shall have committed fraud or breach of fiduciary duty, the Special Limited Partner may, at its election, give notice of such default or event to the then General Partners, if any, and, (1) (in the case of a default) if such default is not cured within 30 calendar days (or cured within a reasonable time in the event it is impossible to cure such default within such 30-day period, provided that the General Partners are diligently and in good faith seeking to cure such default and there has been no assignment of or institution of proceedings to foreclose any Mortgage Loan), (2) (in the case of unfunded Project Expenses) if such Project Expenses are not funded within 10 business days by Negative Cash Flow Loans or Voluntary Loans of the General Partners or their Affiliates (as applicable) or (3) (in the event of such Retirement, Recapture Event, Event of Bankruptcy, fraud, or breach of fiduciary duty) promptly after the occurrence of such event, the Special Limited Partner or its designee may elect to become an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner or its designee, the Special Limited Partner or its designee shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing. If the Special Limited Partner or its designee shall become an additional General Partner as herein stated, and if there are then any other General Partners, the Special Limited Partner or its designee (as applicable) shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners, and the rights and authority of the remaining General Partners shall be deemed equally divided among them.

D. Any Partner may engage in other business ventures of every nature and description, including without limitation the ownership, operation, management, and development of real estate which competes with the Project. Neither the Partnership nor any Partner shall have any rights by reason of this Agreement in and to such other ventures. Notwithstanding the foregoing, in the event the General Partner, the Developer, the Guarantor or their respective Affiliates desires to manage, own (of record or beneficially, directly or indirectly) an interest in, develop, construction, rehabilitate or otherwise participate in any low income or affordable housing project or other rental housing project that (i) is located on the Land or land that is adjacent to or contiguous to the Land and (ii) reasonably would be considered a subsequent phase of the Project, then such Person(s) must first obtain the prior written approval of the Investor Limited Partner.

Section 6.4 Duties and Obligations of the General Partners.

A. The General Partner shall use their best efforts to carry out the purposes of the Partnership, and shall devote to Partnership business such time and effort as may be necessary to (i) arrange for the acquisition of the Land; (ii) prepare all applications and conduct such other activities as shall be necessary to cause the Project to qualify for low-income housing credits; (iii) arrange for mortgage and equity financing for the Project; (iv) supervise the activities of the Management Agent; (v) make inspections of the Project to determine if the Project is being properly maintained; (vi) prepare or cause to be prepared all reports of operations which are to be

furnished to the Partners, any Lender or Agency; (vii) elect to defer the commencement of the Credit Period for all or any portion of the Federal Low Income Housing Tax Credits allowable to the Partners under Section 42(g) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Limited Partner; and (viii) cause the Partnership to obtain the insurance coverages described in the provisions of Section 6.4B. The undertaking of the General Partner to perform the activities described in clauses (i) through (iii) of the foregoing sentence shall constitute consideration for the Interest of the General Partner in the Partnership.

B. The General Partner shall cause the Project to be insured in accordance the requirements set forth in **Exhibit 8** and shall cause the Partnership to obtain and maintain such other coverage as may be required from time to time by any Lender under the Mortgage Loan Documents or as may be reasonably required from time to time by the Limited Partners in order to comply with regular requirements and customary practices of the Limited Partners. The General Partner shall review regularly all of the insurance coverages to insure that all such policies are in effect and in compliance with the terms of this Agreement and the Mortgage Loan Documents. From time to time following Investment Closing, the General Partner shall deliver to the Special Limited Partner such further certificates or memoranda of insurance as the Special Limited Partner may reasonably require to confirm that such insurance and notice provisions with respect to insurance under this Agreement have been complied with.

C. The General Partner shall timely execute and record in the appropriate filing office an Extended Use Agreement. The General Partner shall hold for occupancy such percentage of the dwellings in the Project in such a manner as to qualify the entire Project as a qualified low income housing project under Section 42(g) of the Code as interpreted from time to time in regulations and rulings promulgated thereunder. The General Partner shall not take any action which would cause the termination or discontinuance of the qualification of the Project as a “qualified low income housing project” under Section 42(g) of the Code or which would cause the recapture of any Federal Low Income Housing Tax Credits without the Consent of the Investor Limited Partner.

D. The General Partner shall prepare and submit to the Secretary of the Treasury, the Credit Authority and/or any other Agency designated for such purpose, on a timely basis, any and all annual reports, information returns and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for the low-income housing credit described in Section 42 of the Code for all Low Income Units and (ii) unless the Consent of the Investor Limited Partner is received to act otherwise in a particular instance, to avoid recapture of such credit for failure to comply with the requirements of Section 42 of the Code.

E. The General Partner agrees that neither it nor any Related Person will at any time bear the Economic Risk of Loss for payment of principal or interest on any Mortgage Loan from and after Final Closing (excluding non-recourse carve-outs in the Mortgage Loan Documents related to situations involving fraud, willful misrepresentation, misappropriation of funds and other similar exceptions that are standard in transactions of this type and that are solely enforceable against the Partnership and the General Partner). The General Partner agrees that it will not cause any Limited Partner at any time to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document, and each Limited Partner agrees not to take any action which

would cause it to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document.

F. The General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in their immediate possession or control. The General Partner shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership. No General Partner shall contract away the fiduciary duty owed at common law to the Limited Partners.

G. The General Partner shall (i) not store (except in compliance with applicable Hazardous Waste Laws) or dispose of any Hazardous Material at the Project; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Material to, at or from the Project (except in compliance with applicable Hazardous Waste Laws); (iii) provide the Limited Partners with written notice (x) upon any General Partner's obtaining actual knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Project; (y) upon any General Partner's receipt of any notice to such effect from any Federal, state, or other governmental authority; and (z) upon any General Partner's obtaining actual knowledge of any incurrence of any expense or loss by any such governmental authority in connection with the assessment, containment, or removal of any Hazardous Material for which expense or loss any General Partner may be liable or for which expense or loss a lien may be imposed on the Project.

H. In the event that the Investor Limited Partner shall give notice to the General Partner that in the reasonable judgment of the Investor Limited Partner depreciation deductions will no longer be allocated to the Investor Limited Partner as a result of the treatment of any Mortgage Loan or the Deferred Development Fee Note or any other Partnership indebtedness as recourse or Partner Non-Recourse Debt ("Related Party Financing"), then the General Partner shall take all such action as may be necessary to assure that any outstanding balance of such Related Party Financing shall constitute a Partnership Non-Recourse Liability and the Investor Limited Partner shall give its Consent to allow the General Partner to take all necessary action, provided such action does not have any negative tax consequences for the Partnership or the Investor Limited Partner.

I. At any time after the expiration of the "Option Period" as such term is defined in the Purchase Option Agreement, the Investor Limited Partner shall have the right (the "Put Right"), exercised by giving written notice to the General Partner, to require the General Partner to redeem the Interest of the Investor Limited Partner for a redemption price equal to the fair market value of such Interest as determined by an appraiser which appraiser shall be selected in accordance with the Purchase Option Agreement (the "Put Price"), and following the payment of the Put Price the Investor Limited Partner will cease to be a Partner. Concurrently with the payment of the Put Price, the General Partner shall also be required to redeem the Interest of the Special Limited Partner for a redemption price of \$10, following which the Special Limited Partner shall cease to be a Partner. In the event that the Investor Limited Partner exercises its Put Right and the General Partner fails to pay the Put Price within thirty (30) days of the appraiser determining the Put Price, then upon the request of the Investor Limited Partner the General Partner shall use its best efforts to sell the Project on terms acceptable to the Investor Limited Partner. In furtherance of the foregoing, the General Partner shall (as directed by the Investor Limited Partner) submit a written request to the Credit Authority to find a Person to acquire the Partnership's interest in the Project,

and/or take such other action permitted or required by the Code as the Investor Limited Partner may reasonably request to effect a sale of the Project or to terminate the extended use commitment of Section 42(h)(6)(B) of the Code (to the extent allowed by the Credit Authority). Any proposal either from the Credit Authority or from another buyer of the Project which is acceptable to the Investor Limited Partner shall be accepted by the Partnership.

J. The General Partner shall make a Special Capital Contribution to the Partnership as required from time to time to fund Tax Credit Litigation Expenses to the extent the Partnership does not have sufficient Operating Revenues to pay all such Tax Credit Litigation Expenses. The General Partner shall apply the proceeds of such Special Capital Contribution to the payment of such expenses within thirty (30) days of the date such expenses are billed to the Partnership.

K. The General Partner shall cause the Partnership to engage, at the Partnership's expense, an "oversight manager" acceptable to the Investor Limited Partner to supervise and periodically audit the tenant files as well as the tax credit compliance procedures, practices and performance of the Management Agent prior to and during the Compliance Period. After the initial compliance audit, subsequent compliance audits shall only be conducted if the Investor Limited Partner shall reasonably believe that tenant income verification is not being conducted or tenant files are not being maintained in accordance with the requirements of Section 42 of the Code and the Treasury regulations thereunder.

L. The General Partner, with the advice and Consent of the Investor Limited Partner, shall take such actions as may be necessary (including giving effect to applicable provisions of the Development Agreement) to insure that 50% or more of the aggregate basis of each of the Buildings (including site improvements) and the Land attributable thereto is financed with an obligation the interest on which is exempt from tax under Section 103 of the Code and which is within the Project State's volume cap as provided under Section 146 of the Code.

M. The General Partner shall cause the Investor Limited Partner to promptly receive a copy of every written communication from (i) the Credit Authority (or other Agency), the Lender, or the Service to the Partnership (or to the General Partner on behalf of the Partnership), and (ii) the Partnership (or the General Partner on behalf of the Partnership) to the Credit Authority (or other Agency), the Lender, or the Service. Each such copy shall be sent to the Investor Limited Partner at its address set forth in **Schedule A**.

N. The General Partner shall be solely responsible for the following:

- (A) analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state;
- (B) arranging for the acquisition of the Land;
- (C) analyzing a site's economy and forecasting future growth potential;
- (D) determining the site's zoning status and possible rezoning strategies;
- (E) contacting local government officials concerning access to utilities, public transportation and local ordinances;

- (F) performing environmental tests;
- (G) processing necessary documentation with the Credit Authority in connection with the Federal Low Income Housing Tax Credits;
- (H) arranging the permanent mortgage financing for the Project; and
- (I) arranging for the admission to the Partnership of the Limited Partners.

O. In the event the General Partner shall fail to make any payment required pursuant to this Agreement, including without limitation, any payment required under Section 6.4J, within ten (10) days after demand by the Investor Limited Partner, then, in addition to any other remedies at law or in equity which may be available to the Investor Limited Partner, the General Partner shall be obligated to cause the Partnership to utilize amounts (the “Applied Amounts”) otherwise payable to the General Partner or any Affiliate thereof (including, without limitation, the Developer and/or the Management Agent, if they are an Affiliate of the General Partner) under this Agreement, the Development Agreement, the Construction Management Agreement, and/or the Management Agreement, to satisfy the obligations of the General Partner pursuant to this Agreement, with such utilization of Applied Amounts constituting payment and satisfaction of the corresponding amounts payable to the General Partner or any Affiliate thereof under this Agreement, the Development Agreement the Construction Management Agreement and/or the Management Agreement, and the obligation of the Partnership to make payments to the General Partner and/or its Affiliates pursuant to this Agreement, the Development Agreement, the Construction Management Agreement and/or the Management Agreement shall be deemed satisfied to the extent thereof. Each of the General Partner, the Management Agent, and the Developer covenants and agrees that the General Partner, the Developer and/or the Management Agent will recognize as income any Applied Amounts for federal and state income tax purposes.

Section 6.5 Representations and Warranties; Certain Indemnities.

A. The General Partner hereby represents and warrants to the Investor Limited Partner that the following are true as of the date hereof, will be true on the due date for payment of each Installment, and will be true at all times hereafter:

- (i) The Partnership is a duly organized limited partnership validly existing and in good standing under the laws of the State of Formation and has complied with all recording requirements with each proper Agency necessary to establish the limited liability of the Limited Partners as provided herein and is duly qualified as a foreign limited partnership to do business in the Project State.
- (ii) No litigation or proceeding against the Partnership, General Partner, Builder, Guarantor or Developer, nor any other litigation or proceeding directly affecting the Project, is pending before any court, administrative agency or other governmental authority which would, if adversely determined, have a material adverse effect on the Partnership, the General Partner, the Builder, the Guarantor, the Developer or their respective businesses or operations, except for such matters as to which the likelihood of such a determination adverse to the Partnership is, in

the opinion of counsel acceptable to the Investor Limited Partner, remote. No action, suit or proceeding is pending or, to the General Partner's knowledge, threatened against the General Partner, the Guarantor, the Developer, any Affiliate(s) of the foregoing, or the Partnership relating to any Anti-Corruption Laws.

- (iii)
 - (a) No default by any General Partner, any Affiliate thereof having any relationship with the Project, or the Partnership, in any material respect has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any of the Project Documents.
 - (b) To the General Partner's knowledge, the Project Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms).
 - (c) All accounts and reserves are fully funded to the extent currently required by the Project Documents and this Agreement.
 - (d) No failure or refusal of the Lender to make any advance required under the Mortgage Loan Documents has occurred and is continuing.
 - (e) All payments have been timely made to all contractors and surveyors, and all materials and supplies for the Project have been paid for in a timely manner.
- (iv) All building, zoning and other applicable certificates, permits and licenses necessary to permit the construction, rehabilitation, repair, use, occupancy and operation of the Project have been obtained (other than prior to completion of the Project or a specified portion thereof, in which case such certificates, permits and licenses will be obtained in due course upon completion of the Project or such specified portion thereof) and neither the Partnership nor the General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any governmental authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction.
- (v) The Partnership owns the fee simple title to the Property and has good and marketable title thereto, free and clear of any liens, charges or encumbrances other than the Mortgages, matters set forth in the Title Policy delivered at Investment Closing, encumbrances the Partnership is permitted to create under Sections 2.4 and 6.1B, and mechanics' or other liens which have been bonded or insured against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Partnership for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy delivered at Investment Closing has or will have a material

adverse effect upon the rehabilitation or operation of the Project.

- (vi) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Property by any General Partner or Affiliate thereof which is an Entity have been or will be duly authorized by all necessary corporate or other applicable action; there has been no violation by the General Partner or any of its Affiliates of the Anti-Corruption Laws in connection with the execution and delivery of all such documents and instruments; and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter, by-laws or other organizational and/or governing documents of any such Entity or any agreement by which any such Entity or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree. Each such Entity is duly organized and validly existing under the law of the state of its organization.
- (vii) No default in any material respect has occurred and is continuing in the observance or performance of any provision of this Agreement to be observed or performed by the General Partner.
- (viii) The Related Agreements are in full force and effect and no default in any material respect by any party thereto (other than the Investor Limited Partner, Special Limited Partner, or their Affiliates) has occurred or is continuing thereunder (nor has there occurred any event which, with the giving of notice or the passage of time, or both, would constitute such a default in any material respect thereunder).
- (ix) No Retirement of a General Partner has occurred, and no Event of Bankruptcy has occurred and is continuing with respect to the Partnership, the General Partner, the Guarantor, the Developer or the Builder.
- (x) On and after the last day of the first year of the Credit Period of the Project, the entire Project will qualify, and shall continue to qualify thereafter, as a “qualified low-income housing project” under Section 42(g) of the Code with the Low Income Units in the Project being both “rent-restricted” (within the meaning of Section 42(g)(2) of the Code) and occupied by individuals whose income is sixty percent (60%) or less of the area median income, and all Low Income Units will qualify, and shall continue to qualify thereafter, as “low income” apartment units under Section 42 of the Code. In addition, not less than 100% of the Low Income Units shall be rented to Qualified Tenants whose income is sixty percent (60%) or less of area median income. 100% of the Low-Income Units will comply, and shall continue to comply with all requirements of the HAP Contract and 24 CFR part 983.
- (xi) The Cost Certification and all tax returns, financial statements, Schedules K-1 and other reports due under Article XII have been properly delivered, filed and/or transmitted, as applicable.

- (xii) No General Partner, Affiliate of a General Partner or Person for whose conduct any General Partner is or was responsible has ever: (i) directly or indirectly transported, or arranged for transport, of any Hazardous Material to, at or from the Land (except if such transport was or is at all times in compliance with applicable Hazardous Waste Laws); (ii) caused or was legally responsible for any release or threat of release of any Hazardous Material at the Land; (iii) received notification from any Federal, state or other governmental authority of (x) any potential, known, or threat of release of any Hazardous Material from the Land; or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material to, at or from the Land.
- (xiii) To the best of the General Partner's knowledge, no Hazardous Material was ever or is now stored on, transported or disposed of on the Land (except to the extent any such storage, transport or disposition was at all times in compliance with all Hazardous Waste Laws).
- (xiv) [Intentionally Omitted].
- (xv) No Partner or Related Person bears the Economic Risk of Loss with respect to the indebtedness evidenced by any Note and secured by any Mortgage except as permitted by Section 6.4E.
- (xvi) The General Partner shall cause the Partnership to take all actions necessary to receive a properly completed and signed IRS Forms 8609 for each of the Buildings so as to allow the Partnership to properly claim Federal Low Income Housing Tax Credits in accordance with the Investment Assumptions.
- (xvii) The General Partner and its Affiliates are in compliance with Anti-Corruption Laws.
- (xviii) No General Partner, Designated Affiliate, or shareholder, officer, director or manager of a General Partner has ever (i) been convicted of any fiduciary or monetary crime; (ii) had a judgment entered against them for fraud, willful misconduct or breach of fiduciary duty; or (iii) been sanctioned by HUD, the Securities and Exchange Commission or any other governmental authority.
- (xix) Neither the General Partner nor any of its controlling principals is on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury. None of the funds of General Partner have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in General Partner are prohibited by any applicable laws, statutes, codes, ordinances, or governmental rules, regulations or requirements, or judicial or administrative rules, orders or decrees or that this Agreement or the transactions contemplated hereby are or will be in violation of any applicable laws, statutes, codes, ordinances, or governmental rules, regulations or requirements, or judicial or administrative rules, orders or decrees, and the

General Partner has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing remains true and correct at all times during the term of this Agreement.

- (xx) No employees shall be engaged by the Partnership.
- (xxi) The General Partner shall request annually any upward adjustment to the rental assistance payments as may be permitted under the HAP Contract. If the initial term of the HAP Contract does not extend through the termination of the Compliance Period, the General Partner shall also diligently undertake efforts to secure the renewal of the HAP Contract through the Compliance Period. In furtherance of the foregoing, if necessary, the General Partner, on behalf of the Partnership, shall enter into an extension of the HAP Contract at the expiration of its initial term so that it continues in full force and effect through the Compliance Period, unless otherwise Consented to by the Special Limited Partner in its sole discretion;
- (xxii) The General Partner shall take all actions necessary to ensure that the Low-Income Units comply with all applicable HUD requirements. The General Partner shall additionally use its best efforts to cause the Project to comply with Housing Quality Standards, as determined by the Agency, on the Low-Income Units throughout the term of the HAP Contract. The General Partner shall use its best efforts to maintain and preserve the HAP Contract throughout the Compliance Period and to seek out additional rental subsidies that may be available.
- (xxiii) Neither the Partnership nor the Project is in violation of any Relocation Laws. Neither the General Partner nor the Partnership has received any notice from any governmental agency that the Partnership 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 General Partner's knowledge, the Partner 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.
- (xxiv) The General Partner shall cause the Partnership to elect to be an Electing Real Property Trade or Business as such term is defined in Section 163(j) of the Code. The General Partner shall not opt out of any available bonus depreciation except with the Consent of the Investor Limited Partner.
- (xxv) All of the representations and warranties made by the General Partner and the Guarantor in the Closing Certificate delivered to the Limited Partners on or about the date hereof are true and correct in all material respects.

Section 6.6 Indemnification.

A. The General Partner (including any Retired General Partner) shall be indemnified, defended and held harmless by the Partnership against any losses, judgments, liabilities, expenses

and amounts paid in settlement of any claims sustained by it in connection with the Partnership, *provided that* the same were not the result of gross negligence or willful misconduct on the part of the General Partner or any of its Designated Affiliates and were the result of a course of conduct which such General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this Section 6.6A shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof; *provided, however,* that no indemnification shall be provided for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves indemnification of litigation costs; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves indemnification of litigation costs; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made. In any claim for indemnification in connection with a settlement which was so approved, the party seeking indemnification shall place before the court the position of the Securities and Exchange Commission and any state securities administrator whose rules or published policies require such disclosure with respect to the issue of indemnification for securities laws violations.

B. The Partnership shall not incur the cost of that portion of any insurance which insures any party against any liability as to which such party is herein prohibited from being indemnified.

C. The General Partner agrees to promptly indemnify, defend and hold harmless the Partnership and the Limited Partners from and against any and all claims, losses, damages, costs, expenses and liabilities which the Partnership and the Limited Partners may incur by reason of any liabilities to which either the Partnership or the Project is subject at the Investment Closing; *provided, however,* that the foregoing indemnification shall not apply to any Mortgage, necessary contractual obligations normally incurred in connection with the Property, or to acts for which such General Partner is entitled to indemnification under Section 6.6A or to any claim, losses, damages, costs expenses and liabilities which are caused solely by the gross negligence or willful misconduct of the Limited Partners.

D. The General Partner agrees to promptly indemnify, defend, and hold harmless the Partnership and the Limited Partners from and against any claims, losses, damages, costs, expenses or liabilities which the Partnership and the Limited Partners may incur on account of the presence or escape of any Hazardous Material at or from the Property (or at any other location affecting the Property). Any such claims, losses, damages, costs, expenses or liabilities may be defended, compromised, settled, or pursued by the Limited Partners with counsel of the Limited Partners' selection, but at the expense of the General Partner. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the removal, bankruptcy or withdrawal of the General Partner with respect to any claims arising with respect to conditions that existed and/or events that occurred prior to such removal, bankruptcy or withdrawal.

E. The General Partner shall defend, indemnify and hold harmless the Partnership and the Limited Partners from any liability, loss, damage, fees, costs and expenses, judgments or

amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner's or any Designated Affiliate's gross negligence, willful misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation any breach by the General Partner or any Designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the removal, bankruptcy or withdrawal of the General Partner with respect to any claims arising with respect to conditions that existed and/or events that occurred prior to such removal, bankruptcy or withdrawal.

F. Each Limited Partner shall be indemnified by the Partnership against any third-party claims or costs sustained or incurred by it in connection with its involvement in the Partnership, *provided that* the same were not the result of any improper action or omission on the part of such Limited Partner or any Affiliate thereof; and *provided, further*, that the General Partner shall be primarily and concurrently liable for any matter within the ambit of both Sections 6.6E and 6.6F.

Section 6.7 Obligation to Complete Construction and Pay Development Costs.

The General Partner shall use its best efforts in representing the Investor Limited Partner during the course of construction of the Project and in the administration of the Construction Contract by (1) providing adequate on-site representation at regularly scheduled meetings and at intervals commensurate with the on-site construction activities, (2) actively enforcing the terms of performance specified in the Construction Contract, (3) providing the Investor Limited Partner with timely notice of any issues of non-compliance by the Builder, and (4) acting as necessary in the interest of the Investor Limited Partner to ensure that construction of the Project will be completed as originally contemplated. The General Partner shall (i) cause the construction of the Improvements or cause the same to be completed by March 31, 2020 (or such earlier date as may be required by any Lender or Agency) in a good and workmanlike manner, free and clear of all defects and mechanics', materialmen's or similar liens, and shall equip the Improvements or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Project Documents and the drawings and specifications forming a part of the construction contract and (ii) cause the Partnership to satisfy all requirements necessary to achieve Final Closing in accordance with the Project Documents. If the Designated Proceeds as available from time to time are insufficient to pay all Development Costs, the General Partner (jointly and severally with the Developer) shall advance or cause to be advanced to the Partnership from time to time as needed all such funds as are required to pay such deficiencies. Any such advances ("Development Advances") shall, to the extent permitted under the Project Documents and any applicable Regulations or requirements of the Lender and the Agency (or otherwise with any Requisite Approvals), be reimbursed only out of Designated Proceeds available from time to time after payment of all Development Costs. Any Development Advance(s) that are not reimbursed to the General Partner through payment of the Sixth Installment (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) shall not be reimbursable, shall not be credited to the Capital Account of the General Partner, or otherwise change the Interest of any

Partner in the Partnership, but shall be borne by the General Partner under the terms of this Agreement. In lieu of funding Development Advances hereunder, the Developer may defer unpaid portions of the Development Fee to satisfy such Development Advances provided and on the condition that such amounts should be repaid from Cash Flow by the fifteenth (15th) anniversary of the Completion Date and that any losses (and corresponding Tax Credits) projected to be allocated to the Investor Limited Partner during the Compliance Period should not be reallocated to another Partner as a result of the application of Section 704(b) of the Code and the Treasury Regulations thereunder.

Section 6.8 Obligation to Provide for Project Expenses.

The General Partner agrees that if the Partnership requires funds to pay Project Expenses, it shall furnish to the Partnership the funds so required during or in respect of the period commencing on the Admission Date and ending on December 31st of the year in which the fifth anniversary of the date of payment of the Fifth Installment occurs provided that the Partnership has achieved a Debt Service Coverage Ratio of not less than 115% for the most recent fiscal year of the Partnership based on audited financial statements reasonably acceptable to the Investor Limited Partner (the “Operating Deficit Obligation Period”). The General Partner shall furnish to the Partnership the funds required at the time such Project Expenses are due and payable. Amounts so furnished to fund Project Expenses incurred prior to the due date for payment of the Fifth Installment shall be deemed Special Capital Contributions; amounts so furnished to fund Project Expenses incurred on or after the due date for payment of the Fifth Installment shall constitute Negative Cash Flow Loans. Any such Negative Cash Flow Loans shall be repayable only as provided in Article X. Notwithstanding the foregoing, (i) prior to the due date for payment of the Fifth Installment, the General Partner’s obligation to make Negative Cash Flow Loans under this Section 6.8 shall be unlimited, (ii) from and after the due date for payment of the Fifth Installment, the General Partner shall not be obligated to make Negative Cash Flow Loans under this Section 6.8 to the extent that the outstanding aggregate principal amount of such loans would exceed \$1,373,529 outstanding at any one time (the “Maximum Operating Deficit Obligation”), and (iii) upon expiration of the Operating Deficit Obligation Period and, to the extent any funds have been withdrawn from the Operating Reserve prior to such time, replenishment of the Operating Reserve up to the Minimum Operating Reserve Amount, the General Partner shall be automatically released from its obligation to fund Negative Cash Flow Loans under this Section 6.8.

Section 6.9 Certain Payments to Partners and Affiliates.

A. For its services in connection with the development of the Property and the supervision to completion of the rehabilitation of the Improvements, the Developer shall be entitled to receive the amounts set forth in the Development Agreement. For its services in connection with managing the construction of the Improvements FA DC LLC, an Affiliate of the General Partner shall receive the Construction Management Fee.

B. The Partnership shall pay to the General Partner the Supervisory Management Fee for management supervision services as described in the Supervisory Management Agreement. Such fee (which, when combined with any Management Fee paid to an Affiliate of the General Partner, shall in no event exceed 12% of Operating Revenues) shall be payable in accordance with

the provisions of the Supervisory Management Agreement.

C. The Partnership shall pay to the Investor Limited Partner (or its designee) an Asset Management Fee for its services in evaluating the operation of the Project, communicating with and advising the Limited Partners as to the status of the Project and their investment in the Partnership, reviewing the Partnership's tax returns and financial statements on behalf of the Limited Partners and evaluating and monitoring, on behalf of all Limited Partners, the compliance by the General Partner, the Management Agent, the Developer and the Guarantor with the terms of the Partnership Agreement and Related Agreements. The Asset Management Fee shall initially be equal to \$5,000 per annum and shall increase annually by three percent (3.00%) per annum. The Asset Management Fee shall be due and payable within 30 days after the end of each calendar year (together with any accrued and unpaid Asset Management Fees with respect to prior calendar years) to the extent cash is available as provided in Section 10.1A or from the proceeds of a Capital Transaction as provided in Section 10.1B. Any unpaid Asset Management Fee in any fiscal year shall accrue and be paid from future years' Cash Flow or Capital Transaction proceeds.

D. All of the Partnership's expenses shall be billed directly to, and paid by, the Partnership to the extent practicable. Subject to the terms of this Agreement, reimbursements to a General Partner or any of its Affiliates by the Partnership shall be allowed subject to the following conditions:

- (i) such goods or services must be necessary or appropriate for the prudent formation, development, organization or operation of the Partnership;
- (ii) reimbursement for goods or services provided by Persons who are not affiliated with a General Partner shall not exceed the cost to a General Partner or its Affiliates of obtaining such goods or services; and
- (iii) reimbursement for goods and services obtained directly from a General Partner or its Affiliates shall not exceed the amount the Partnership would be required to pay independent parties for comparable goods and services in the same geographic location and shall not include reimbursement for the general overhead of the General Partner or its Affiliates (including salaries and benefits of employees thereof).

E. Fees payable by the Partnership to the General Partner and its Affiliates, as set forth herein or the other Project Documents, are reasonable and ordinary and customary in nature for the services to be provided, reflect the value of the services to which the fees relate, and are consistent with those paid in other similar projects of which the General Partner and its Affiliates have knowledge. Such fees have been or will be disclosed to the Credit Authority for the purpose of the determination by the Credit Authority of the financial feasibility and viability of the Property pursuant to Section 42(m)(2) of the Code. Neither the General Partner nor any of its Affiliates shall be entitled to any compensation, fees or profits from the Partnership in connection with the acquisition, rehabilitation, development or rent-up of the Land or Improvements or for the administration of the Partnership's business or otherwise, except for (i) payments provided for or referred to in Section 6.9, (ii) payments of the Development Fee, the Construction Management Fee and the Management Fee, (iii) fees and distributions under Article X, and (iii) such other fees

and distributions as may be permitted to be paid by any relevant Lender or Agency out of the proceeds of any Mortgage Loan.

Section 6.10 Reserve Accounts

A. The General Partner shall establish a reserve account for capital replacements (the “Capital Replacement Reserve”), which account shall be funded by monthly deposits equal to \$2,500 (which amount equals \$300 per unit per year), or such greater amount as shall be required by the Lender. The Capital Replacement Reserve shall be established and maintained in an account controlled by the Funding Lender. Withdrawals from such reserve shall be utilized solely to fund capital repairs and improvements deemed necessary by the General Partner.

B. The General Partner shall cause the Partnership to establish and maintain a reserve account for operating deficits or other uses as may be directed by the Special Limited Partner (the “Operating Reserve”) in the amount of \$327,550 (the “Minimum Operating Reserve Amount”), which account shall be funded, from the proceeds of the Fifth Installment; provided, however, that if for any reason such proceeds shall be insufficient to fully fund the Operating Reserve at each such time, the General Partner shall promptly fund any such shortfall. The Investor Limited Partner may make a deposit directly to such account from the proceeds of the Fifth Installment (which amount shall be deemed to have been paid first by the Investor Limited Partner as a Capital Contribution to the Partnership and then by the Partnership to the Operating Reserve in satisfaction of its obligations under this Section 6.10B). The Operating Reserve shall be used to fund operating deficits to the extent the Partnership has insufficient Operating Revenue to pay all Project Expenses. The General Partner shall not make any payments from the Operating Reserve without the Consent of the Special Limited Partner. Any withdrawals from the Operating Reserve shall be replenished from available Cash Flow in accordance with the provisions of Section 10.1A. The Operating Reserve shall be established and maintained in an account controlled by the Bank. Any funds remaining in the Operating Reserve upon expiration of the 15-year Compliance Period shall be released and applied as Cash Flow in accordance with the provisions of Article X.

C. The General Partner will cause the Partnership to fund all escrow and reserve accounts required under the Mortgage Loan Documents including, without limitation, for payment of real estate taxes and insurance premiums.

Section 6.11 Joint and Several Obligations. In the event there is more than one (1) General Partner, all obligations of the General Partners hereunder are joint and several obligations of the General Partners, except as herein expressly provided to the contrary.

ARTICLE VII

WITHDRAWAL OF A GENERAL PARTNER; NEW GENERAL PARTNERS

Section 7.1 Voluntary Withdrawal. No General Partner shall have the right to Retire voluntarily from the Partnership or sell, assign, encumber, or otherwise transfer its Interest without the Consent of the Investor Limited Partner and any Requisite Approvals. In addition, no direct or indirect ownership interest in a General Partner may be sold, assigned, encumbered, or otherwise transferred without the Consent of the Investor Limited Partner and any Requisite

Approvals.

Section 7.2 Obligation to Continue. In the event of the Retirement of any General Partner, the remaining General Partners, if any, and any successor General Partner shall have the obligation to elect to continue the business of the Partnership employing its assets and name. Promptly after the occurrence of such Retirement, the remaining General Partners, if any, shall notify the Investor Limited Partner thereof.

Section 7.3 Successor General Partner.

A. No assignee or transferee of all or any part of the Interest of a General Partner shall have an automatic right to become a Partner; such Interest shall be deemed to be that of an assignee and the holder thereof shall be entitled only to such rights as an assignee may have under the laws of the State of Formation unless or until such assignee is admitted to the Partnership as a Partner in compliance with the requirements of this Agreement.

B. Upon the occurrence of any Retirement, the remaining General Partners may designate a Person to become a successor General Partner to the Retired General Partner. Any Person so designated, subject to any Requisite Approvals, the Consent of the Investor Limited Partner and, if required by the Uniform Act or any other applicable law, the consent of any other Partner so required, shall become a successor General Partner.

C. If any Retirement shall occur at a time when there is no remaining General Partner and no successor General Partner is to be admitted pursuant to Section 7.3A, then the Investor Limited Partner shall have the right, subject to any Requisite Approvals and Section 6.3C, to designate a Person to become a successor General Partner.

D. If the Investor Limited Partner elects to reconstitute the Partnership and admit a successor General Partner pursuant to this Section 7.3, the relationship of the Partners in the reconstituted Partnership shall be governed by this Agreement.

Section 7.4 Interest of Predecessor General Partner.

A. Anything herein contained to the contrary notwithstanding, any General Partner who Retires voluntarily in violation of Section 7.1 shall remain liable for all of its obligations under this Agreement, for all its other obligations and liabilities hereunder incurred or accrued prior to the date of its withdrawal and for any loss or damage which the Partnership or any of its Partners may incur as a result of such withdrawal except for any loss or damage attributable to the default, negligence or misconduct of a successor General Partner admitted in its place under this Agreement.

B. The disposition of the Interest of a General Partner Retiring voluntarily in compliance with this Agreement shall be accomplished in such manner as shall be acceptable to the remaining General Partners, shall be approved by Consent of the Investor Limited Partner and shall have obtained any Requisite Approvals.

Section 7.5 Designation of New General Partners. The General Partner may, with the written consent of all Partners, at any time designate new General Partners, each with such Interest

as a General Partner in the Partnership as the General Partners may specify, subject to any Requisite Approvals. Any new General Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the Project Documents and any other documents required in connection therewith and by the provisions of this Agreement, to the same extent and on the same terms as any other General Partner.

Section 7.6 Amendment of Certificate; Approval of Certain Events. Upon the admission of a new General Partner, **Schedule A** shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed as required by the Uniform Act. Each Partner hereby consents to and authorizes any admission or substitution of a General Partner or any other transaction, including, without limitation, the continuation of the Partnership business, which has been authorized under this Agreement, and hereby ratifies and confirms each amendment of this Agreement necessary or appropriate to give effect to any such transaction.

Section 7.7 Removal or Retirement of a General Partner.

A. In addition to any other rights granted to the Limited Partners hereunder, the Special Limited Partner shall have the right to remove and replace the General Partner in accordance with the provisions of this Section 7.7 if a Material Default occurs and is not cured within the time period set forth in this Section 7.7. If at any time there is more than one General Partner, all General Partners may be removed and replaced in accordance with the provisions of this Section 7.7 in the event of a Material Default by any General Partner.

B. As used in this Section 7.7, “Material Default” means the occurrence of any of the following events:

- (i) the General Partner has failed or refused to perform any of its obligations as set forth in this Agreement and does not, within a period of thirty (30) days following written notice of such failure or refusal, commence the performance of such obligations and cure, to the reasonable satisfaction of the Special Limited Partner, the adverse effects of such failure or refusal; or
- (ii) the Partnership, the General Partner, the Guarantor, or any Affiliate of any of the foregoing is in default under any Project Document or Related Agreement and such default is not cured within any applicable grace period granted by the non-defaulting party;
- (iii) the General Partner has engaged or is engaging in an activity which is intentionally injurious to the Partnership or the General Partner has committed a breach of fiduciary duty, been grossly negligent, engaged in material misconduct or made one or more material misrepresentations with respect to the Partnership or used or appropriated for personal use or benefit funds or properties of the Partnership when not authorized to do so;
- (iv) the General Partner, the Guarantor, or Affiliate of any of the foregoing has breached any material term of any Project Document which the Special Limited Partner reasonably deems to be material and the time period, if any, for curing such breach

has passed; or

- (v) the Partnership has incurred unfunded Project Expenses for three (3) consecutive calendar months during the period in which Negative Cash Flow Loans are not required to be made under Section 6.8, and the General Partners have not made Voluntary Loans to fund such deficits and there are insufficient funds available to be released from the Operating Reserve to pay such unfunded Project Expenses;
- (vi) the Partnership's Debt Service Coverage Ratio is below 100% for (a) a period of six (6) consecutive calendar months and the General Partner (or the Guarantor) has failed to fund Project Expenses, or (b) six (6) calendar months (whether consecutive or not) during any twelve (12) calendar month period and the General Partner (or the Guarantor) has failed to fund Project Expenses;
- (vii) the allocation of more than 25% of the Federal Low Income Housing Tax Credits claimed by the Partnership or the Limited Partners in any year has been recaptured or disallowed; or
- (viii) a Retirement or Event of Bankruptcy has occurred with respect to the General Partner or the Guarantor.

C. In the event that the Investor Limited Partners determines to remove any General Partner pursuant to the provisions of this Section 7.7, the Special Limited Partner shall notify the General Partner in writing of the Material Default that is the cause for the removal of the General Partner (any such notice being referred to herein as a "Removal Notice" and the date of such Removal Notice being referred to herein as the "Removal Notice Date"). The removal of the General Partner shall be deemed to be effective as of the Removal Notice Date, and the removed General Partner shall immediately deliver to the Special Limited Partner all books, records, tax and financial information relating to the Partnership and the Project that are in the possession or under the control of such General Partner or any of its Affiliates.

D. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, all agreements between the Partnership and the General Partner and/or its Affiliates may be terminated at the written direction of the Special Limited Partner in its sole and absolute discretion.

E. If a General Partner that is an Affiliate of the Developer is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, the General Partner will, at the written direction of the Special Limited Partner in its sole and absolute discretion, make a capital contribution to the Partnership in an amount sufficient to pay any unpaid balance of the Development Fee and the Construction Management Fee, if any, and the Partnership will apply such proceeds to the discharge of such obligation in full. If the General Partner fails to make such capital contribution to the Partnership, the General Partner must assign its right to payment of the Development Fee and any unpaid Construction Management Fee (if any) to any Person designated by the Special Limited Partner (including, without limitation, an Affiliate of STCC).

F. From and after the effective date of the removal or Retirement of the General Partner,

the Partnership and its remaining Partners shall be deemed completely released from all liabilities owed to such removed or Retired General Partner and its Affiliates generally and to any others claiming by or through such General Partner to whom any distributions, loans, fees or other payments are owed. If requested by the Special Limited Partner, the removed or Retired General Partner (and any Affiliates to whom obligations of any kind are owed by the Partnership) shall provide the Partnership with written confirmation of such release. The removed or Retiring General Partner shall not be liable for the obligations of the Partnership incurred subsequent to the effective date of its removal or Retirement unless such obligations arise out of the acts or omissions of the removed or Retired General Partner. The removed or Retired General Partner shall remain liable for all obligations and liabilities of the General Partner that accrued prior to the effective date of its removal or Retirement (whether or not then known or discovered) and for all obligations and liabilities under Sections 6.7 unless such obligations arise out of the acts or omission of the successor General Partner. The General Partner also shall indemnify, defend, protect and hold the Partnership and the Limited Partners harmless from and against all losses, costs, damages, liabilities, fines, penalties, actions, suits and expenses incurred by it (or them) in connection with the Material Default giving rise to the removal of the General Partner and the exercise of the remedies provided above, including, without limitation, all reasonable attorneys' fees.

G. The Special Limited Partner may, as of the date of any Removal Notice, elect to become (or to designate another Person, including, without limitation, an Affiliate of STCC, to become) an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner, the Special Limited Partner or its designee shall automatically become and shall be deemed to be a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate as may be necessary or appropriate to confirm the foregoing or otherwise enforce the provisions of this Section 7.7. If the Special Limited Partner or its designee shall become an additional General Partner as herein stated, and if there are then any other General Partners, the Special Limited Partner or its designee (as applicable) shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners and the rights and authority of the remaining General Partners shall be deemed equally divided among them.

ARTICLE VIII

TRANSFER OF LIMITED PARTNER INTERESTS

Section 8.1 Right to Assign. Except as restricted in this Article VIII or by operation of law and subject to any Requisite Approvals, each Limited Partner shall have the right to assign all or any portion of its Interest without the consent or approval of any other Partner. The General Partner, at the sole expense of the assigning Limited Partner, shall cooperate in good faith to effect such assignment as expeditiously as possible, including without limitation (i) the execution of instruments of assignment, appropriate amendments to (which amendments, including amendments to any Related Agreement, shall be subject to the reasonable consent of the General Partner), or updates of, the Related Agreements and other documents listed on the Document Schedule and/or any other documents which the assigning Limited Partner reasonably determines necessary or appropriate to accomplish such assignment (if required) and (ii) the delivery of a non-

imputation endorsement to the Title Policy and such other due diligence documentation as the Limited Partner may reasonably request for the benefit of such assignee. In connection with any assignment by a Limited Partner of its Interest (or in connection with any assignment of any direct or indirect interest in a Limited Partner), such assigning Limited Partner (or Person assigning an interest in such Limited Partner) shall have the right to disclose to the proposed assignee any information that the General Partner and the Guarantor have delivered to such Limited Partner in connection with this Agreement, including, without limitation, any information concerning the Project, the General Partner and the Guarantor.

Section 8.2 Restrictions.

A. The General Partner may require as a condition of any assignment of any Interest that the assignor assume all costs incurred by the Partnership in connection therewith, including any transfer tax and recording costs.

B. Any assignment in contravention of Section 8.1 or this Section 8.2 shall be void and not recognized by the Partnership.

Section 8.3 Substitute Limited Partners. An assignor may designate its assignee to become a Substitute Limited Partner in its place provided that the following conditions are satisfied:

- (a) any Requisite Approvals are obtained;
- (b) the instrument of assignment sets forth the intention of the assignor that its assignee succeed to the assignor's Interest (or portion thereof assigned thereto) as a Substitute Limited Partner; and
- (c) the assignor and assignee shall have executed and acknowledged such other instruments as the General Partner may deem reasonably necessary or desirable to effect such substitution, including the written acceptance and adoption by the assignee of the provisions of this Agreement.

Section 8.4 Assignees. Any permitted assignee of a Limited Partner which does not become a Substitute Limited Partner shall have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled. Any assigning Limited Partner shall cease to be a Limited Partner and no longer have any rights or obligations of a Limited Partner except that, unless and until the assignee of such Limited Partner is admitted to the Partnership as a Substitute Limited Partner, said assigning Limited Partner shall retain the statutory rights and be subject to the statutory obligations of an assignor Limited Partner under the Uniform Act as well as the obligation to make the Capital Contributions attributable to the Interest in question, if any portion thereof remains unpaid. There shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making each assignment; such instrument must evidence the written acceptance of the assignee to this Agreement. If such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose. In the case of any assignment of a Limited Partner's Interest where the assignee does not become a Substitute Limited Partner, the Partnership shall recognize the

assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation. An assignee which does not become a Substitute Limited Partner and desires to make a further assignment of its Interest shall also be subject to this Article VIII.

ARTICLE IX

LOANS; MORTGAGE REFINANCING; PROPERTY DISPOSITION

Section 9.1 General

A. All Partnership borrowings shall be subject to Section 6.1, this Article, the Project Documents and the Regulations. The Limited Partners hereby approve the Tax-Exempt Loan Documents and consent to the execution and delivery thereof by the Partnership and the General Partner. All Mortgage Loan Documents not approved by the Investor Limited Partner as of Investment Closing shall be submitted to and approved by the Investor Limited Partner prior to execution and delivery thereof.

B. Notwithstanding anything to the contrary herein, in no event shall the principal amount of the Tax-Exempt Loan as of Final Closing exceed the lesser of (i) the amount necessary to achieve a Debt Service Coverage Ratio of at least 1.15:1 throughout the Compliance Period as determined by the Investor Limited Partner (assuming that Project Expenses trend at 3.00% per annum and Operating Revenues trend at 2.00% per annum) or (ii) \$13,345,000. The General Partner shall provide such documentation as the Investor Limited Partner shall reasonably require to make such determination. In the event that the amount of the Tax-Exempt Loan must be reduced from the amount set forth in the Investment Assumptions in order to achieve the required Debt Service Coverage Ratio (a "Financing Shortfall"), the General Partner shall make a Development Advance pursuant to the provisions of Section 6.7, if necessary, in an amount sufficient to reduce the principal amount of the Tax-Exempt Loan prior to Final Closing to the amount necessary to cause the Partnership to achieve the required Debt Service Coverage Ratio.

C. All Partnership borrowings shall be subject to the provisions of Section 6.1, Article IX and any other limitations set forth in this Agreement, and the Project Documents. The Partnership may accept Special Capital Contributions, Development Advances, Negative Cash Flow Loans and other capital contributions made by the General Partner in accordance with the provisions of Sections 5.2E and 6.2G. Any other loan or advance made by a Partner or its Affiliates (a "Voluntary Loan") shall be unsecured, shall bear interest at a rate equal to the Designated Interest Rate per annum, and shall be repayable only as provided in Article X. Voluntary Loans must be made solely for the benefit of the Partnership, and no Voluntary Loans may be made by the General Partner or its Affiliates in substitution of the General Partner's obligation to make capital contributions, Development Advances, and Negative Cash Flow Loans. In addition, no Voluntary Loan may be made by a Partner or Related Person if it is likely to reduce the amount of Federal Low Income Housing Tax Credits that would otherwise be allocable to the Investor Limited Partner under this Agreement during the Compliance Period. To the extent that the Bank or any Affiliate thereof is a secured Lender under any financing arrangement with the Partnership, the General Partner shall cause the collateral for any such arrangement to also secure Voluntary Loans made by STCC or its Affiliates, if requested by the Special Limited Partner, so long as the

same is not prohibited by the Project Documents.

D. At any time that an Affiliate of the Investor Limited Partner (such partner or member being referred to herein as a “Investor Related Mortgagee”) makes, guarantees, owns, acquires, or otherwise credit enhances, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Property owned by the Partnership (any such loan being referred to as a “Related Mortgage Loan”), such Investor Related Mortgagee will not be deemed to have acted on behalf of or as agent to or as the alter ego of the Investor Limited Partner. An Investor Related Mortgagee may take any actions that the Investor Related Mortgagee, in its discretion, determines to be advisable in connection with its Related Mortgage Loan (including in connection with the enforcement of its Related Mortgage Loan). By execution of this Agreement, each Partner agrees, to the extent permitted by applicable law, that no Investor Related Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Investor Related Mortgagee being a partner or member in the Investor Limited Partner. Neither the Partnership nor any Partner will make any claim against an Investor Related Mortgagee, or against the Investor Limited Partner in which the Investor Related Mortgagee is a partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Investor Related Mortgagee’s status as a partner or member of the Investor Limited Partner.

Section 9.2 Refinancing and Sale

A. The Partnership may not increase the amount of or otherwise modify any Mortgage Loan, obtain any new Mortgage Loan, or refinance any Mortgage Loan without the Consent of the Investor Limited Partner.

B. The Partnership may not sell, lease, convey, exchange or otherwise transfer or convey any assets of the Partnership (except for any grants of utility easements as provided in Section 6.1(B)(x)) without the Consent of the Investor Limited Partner (including any conveyance of Partnership assets for mortgage or security purposes). Notwithstanding the foregoing, no such Consent shall be required for the leasing of dwelling units in the normal course of business of the Partnership provided that all of the Low Income Units are leased to Qualified Tenants and the Project qualifies as a “qualified low-income housing project” under Section 42(g)(1) of the Code at all times throughout the Compliance Period.

C. Upon the sale of the Property by the Partnership, no Person may pay to any Person real estate commissions in excess of that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area.

D. Upon the sale of the Project or any portion thereof, the Partnership shall pay a sales preparation fee to the General Partner or such other Affiliate of the General Partner (the “Sales Preparation Fee”), in consideration of its actual services in arranging for and negotiating such sale, in an amount equal to one percent (1%) of the gross sale price of the Project (which percentage may be increased to up to 3% if the General Partner can demonstrate that such higher fee is reasonable, customary and competitive with those paid in similar transactions in the

geographical area of the Project at the time of such), as provided in Section 10.1B; provided, however, that the total compensation paid by or on behalf of the Partnership to all Persons with respect to brokerage services or related fees in connection with the sale of the Project, or any portion thereof, shall not exceed six percent (6%) of the contract price for the sale of the Project (or such portion thereof) and, if and to the extent that any other payment(s) are made by or on behalf of the Partnership to any Person(s) with respect to any such sale of the Project, the Sales Preparation Fee shall, if necessary, be reduced to such amount as, when added to the aggregate amount of all other such payment(s), does not exceed six percent (6%) of the contract price for the sale of the Project (or such portion thereof). The Sales Preparation Fee shall be due and payable on a one-time basis only and will not be payable in connection with any partial sale or refinancing of any Mortgage Loan. In addition, if the General Partner (or an Affiliate thereof) purchases the Project, the Sales Preparation Fee shall only be allowed as a credit to the purchase price.

ARTICLE X

PROFITS, LOSSES AND DISTRIBUTIONS

Section 10.1 Distributions Prior to Dissolution.

A. Distributions of Cash Flow. No Cash Flow shall be distributed to any Partner prior to Final Closing. Subject to any Requisite Approvals (i) all Cash Flow generated through Final Closing shall be includable in Designated Proceeds for payment of Development Costs; provided, however, that if the General Partner determines (with the Consent of the Investor Limited Partner) that such Cash Flow is not needed for payment of Development Costs, then such Cash Flow shall be distributed as provided below in Section 10.1A, and (ii) Cash Flow for each fiscal year (or fractional portion thereof) from and after Final Closing shall be distributed, within ninety (90) days after the end of each fiscal year, in the following order of priority:

- (i) First, to payment of all amounts due and owing to the Investor Limited Partner;
- (ii) Second, to restore the amounts in the Operating Reserve to Minimum Operating Reserve Amount;
- (iii) Third, to the repayment of any Voluntary Loans made by the Investor Limited Partner and/or Special Limited Partner then outstanding (pro rata in proportion to the aggregate amounts payable to each payee);
- (iv) Fourth, to payment of the Asset Management Fee (including accrued but unpaid amounts in respect of prior fiscal years);
- (v) Fifth, to the payment of all amounts then due and payable in respect of the Deferred Development Fee;
- (vi) Sixth, to the repayment of any Negative Cash Flow Loans then outstanding and any Voluntary Loans made by the General Partner then outstanding;
- (vii) Seventh, 10% remaining after the Clause Sixth above shall be distributed to the

Investor Limited Partner;

- (viii) Eighth, the payment of the Supervisory Management Fee; and
- (ix) Ninth, the balance of such proceeds, if any, shall be distributed to the General Partner;

provided, however, that the General Partner shall not be entitled to any fees, distributions or loan repayments if a Material Default shall have occurred and remain uncured under Section 7.7.

B. Distributions of Capital Transaction Proceeds. Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction, such proceeds shall be applied and distributed as follows:

- (i) First, to discharge, to the extent required by any lender or creditor, the debts and obligations of the Partnership (excluding any items listed in the ensuing clauses of this Section 10.1B);
- (ii) Second, to fund reserves for contingent third-party liabilities of the Partnership to the extent deemed reasonably necessary or prudent by the General Partner;
- (iii) Third, to payment of 150% of any unpaid Tax Credit Shortfall Payments due and owing to the Investor Limited Partner;
- (iv) Fourth, to payment of any outstanding amounts due and owing to the Investor Limited Partner under this Agreement including, without limitation, payment of any accrued but unpaid Asset Management Fee and repayment of any Voluntary Loans made by the Investor Limited Partner;
- (v) Fifth, to the payment of all amounts then due and payable in respect of the Deferred Development Fee;
- (vi) Sixth, to the repayment of any Voluntary Loans made by the General Partner or its Affiliates;
- (vii) Seventh, to the repayment of any Negative Cash Flow Loans then outstanding;
- (viii) Eighth, \$1,000 to the Special Limited Partner; and
- (ix) Ninth, the balance of such proceeds, if any, shall be distributed 10% to the Investor Limited Partner and 90% to the General Partner.

Section 10.2 Deficit Restoration Obligation and Distributions Upon Dissolution.

A. Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership shall be distributed to the Partners in accordance with the positive balances in their Capital Accounts after taking into account all Capital Account adjustments for the Partnership taxable year, including adjustments to

Capital Accounts pursuant to Sections 10.2B and 10.3B. In the event that a General Partner or a Limited Partner has a negative balance in its Capital Account following the liquidation of the Partnership or its Interest after taking into account all Capital Account adjustments for the Partnership taxable year in which the liquidation occurs, such Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Such payment shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid to recourse creditors of the Partnership or distributed to other Partners in accordance with the positive balances in their Capital Accounts. Notwithstanding the foregoing, the obligation of the Limited Partners to contribute such deficit shall be zero unless and until it shall notify the Partnership in writing of its election to have a different amount (the “Designated Amount”) apply, which Designated Amount may be increased or reduced (subject to the provisions of the following sentence) by similar written notice from the electing Partner at any subsequent date. Furthermore, notwithstanding the foregoing, the General Partner’s obligation to contribute such deficit shall be limited to 0.01% of the total Capital Contributions of the Company. No subsequent reduction to the Designated Amount shall reduce the same below such Partner’s deficit balance in its Capital Account (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) at the end of the Partnership’s immediately preceding tax year. Notwithstanding the foregoing, the Designated Amount shall (unless the designating Partner notifies the Partnership otherwise in writing) be reduced automatically and permanently at the end of each subsequent Partnership taxable year in which such Partner’s deficit Capital Account balance (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) is less than the deficit Capital Account balance (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) existing at the end of the Partnership’s immediately preceding taxable year. The amount of such reduction shall be equal to the amount of such difference in deficit Capital Account balances.

B. With respect to assets distributed in kind to the Partners in liquidation or otherwise: (i) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be profits and losses realized by the Partnership immediately prior to the liquidation or other distribution event; and (ii) such profits and losses shall be allocated to the Partners in accordance with Section 10.3B, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of such fair market value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered. For the purposes of this Section 10.2B, “unrealized appreciation” or “unrealized depreciation” shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing (but subject to Section 7701(g) of the Code), and the Partnership’s adjusted basis for such assets as determined under Treasury Regulation Section 1.704-1(b). This Section 10.2B is merely intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distribution event, and nothing contained in this Section 10.2B or elsewhere herein is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the General Partners with the Consent of the Investor Limited Partner.

Section 10.3 Profits, Losses and Tax Credits.

A. Except as otherwise specifically provided in this Article, for each fiscal year or portion thereof, profits, tax-exempt income, losses and non-deductible, non-capitalizable

expenditures incurred and/or accrued by the Partnership, shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

B. Except as otherwise specifically provided in Section 10.4 or elsewhere in this Article, all profits and losses arising from a Capital Transaction shall be allocated to the Partners as follows:

(i) As to profits:

- (a) First, an amount of profit equal to the aggregate negative balances (if any) in the Capital Accounts of all Partners having negative balance Capital Accounts shall be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts shall have zero balances; and
- (b) Second, an amount of profits shall be allocated to each of the Partners until the positive balance in the Capital Account of each Partner equals, as nearly as possible, the amount of cash which would be distributed to such Partner if the aggregate amount in the Capital Accounts of all Partners were cash available to be distributed in accordance with Clauses Third, Eighth and Ninth of Section 10.1B.

(ii) As to losses:

- (a) First, an amount of losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Partners having positive balance Capital Accounts shall be allocated to such Partners in proportion to their positive Capital Account balances until all such Capital Accounts shall have zero balances; provided, however, that if the amount of losses so to be allocated is less than the sum of the positive balances in the Capital Accounts of those Partners having positive balances in their Capital Accounts, then such losses shall be allocated to the Partners in such proportions and in such amounts so that the Capital Account balances of each Partner shall equal, as nearly as possible, the amount such Partner would receive if an amount equal to the excess of (A) the sum of all Partners' balances in their Capital Accounts computed prior to the allocation of losses under this clause (a) over (B) the aggregate amount of losses to be allocated to the Partners pursuant to this clause (a) were distributed to the Partners in accordance with Clauses Third, Eighth and Ninth of Section 10.1B; and
- (b) Second, the balance, if any, of such losses shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

C. If the Partnership (i) incurs recourse obligations (including, without limitation, accounts payable and deferred fees that in the reasonable judgment of the Special Limited Partner

are not expected to be paid in the ordinary course of business) or Partner Non-Recourse Debt (including without limitation Negative Cash Flow Loans), (ii) accepts Capital Contributions from the General Partner that are required or permitted by the terms of this Agreement, all or a portion of the proceeds of which (in any such case) are applied to the payment of Project Expenses or other items that are deductible for federal income tax purposes or (iii) incurs losses from extraordinary events which are not recovered from insurance or other sources (the items referred to in clauses (i), (ii) and (iii) being hereinafter referred to collectively as the “Section 10.3C Items”) in respect of any Partnership taxable year, then the calculation and allocation of profits and losses shall be adjusted as follows: *first*, an amount of deductions (consisting of Project Expenses and not cost recovery deductions) attributable to the Section 10.3C Items shall be allocated to the General Partner; and *second*, the balance of such deductions shall be allocated as provided in Section 10.3A. For purposes of determining the deductions that are attributable to the Section 10.3C Items, Cash Receipts shall be deemed to have been applied first to Debt Service Requirements and the funding of Partnership reserves and then to Project Expenses other than Debt Service Requirements and the funding of Partnership reserves. The term “extraordinary events,” as used in this Section 10.3C, includes casualty losses, losses resulting from liability to third parties for tortious injury, losses resulting from a breach of a legal duty by the Partnership or by the General Partner, and deductions resulting from other liabilities of the Partnership that are not incurred in the ordinary course of business. Nothing in this Section 10.3C shall prevent the Partnership from recovering an extraordinary loss from a General Partner who is liable therefore by law or under the terms of this Agreement.

D. If any Section 10.3C Items shall be repaid from cash generated in respect of any Partnership fiscal year, then the allocation of profits and losses under Section 10.3A for such fiscal year shall be adjusted as follows: *first*, the General Partner shall be allocated an amount of the gross income of the Partnership equal to the lesser of (i) the amount of items of loss or expense previously allocated to the General Partner under Section 10.3C and not previously offset by allocations of gross income under this Section 10.3D or items thereof and (ii) the amount of the Section 10.3C Items repaid in such year and *second*, all remaining gross income and all expenses shall be allocated as provided in Section 10.3A. Nothing in this Section 10.3D shall be construed to authorize the return of Capital Contributions. This section shall be applied in conjunction with Section 10.4B to avoid the double allocation of gain under such sections when Negative Cash Flow Loans are repaid.

E. Notwithstanding the foregoing provisions of Sections 10.3.A and 10.3.B, in no event shall any losses be allocated to a Limited Partner if and to the extent that such allocation would cause, as of the end of the Partnership taxable year, the negative balance in such Limited Partner’s Capital Account to exceed such Limited Partner’s share of Partnership Minimum Gain plus such Limited Partner’s share of Partner Non-Recourse Debt Minimum Gain plus the amount, if any, of such Limited Partner’s Designated Amount (as specified in accordance with Section 10.2A). Any losses which are not allocated to the Limited Partners by virtue of the application of this Section 10.3E shall be allocated as required under Section 1.704-1(b) of the Allocation Regulations. For purposes of this Section 10.3E, a Partner’s Capital Account shall be treated as reduced by Qualified Income Offset Items.

F. The terms “profits” and “losses” used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation

thereof, as determined in accordance with the accounting methods followed by the Partnership and computed in a manner consistent with Section 1.704-1(b)(2)(iv) of the Allocation Regulations. Profits and losses for federal income tax purposes shall be allocated in the same manner as profits and losses under Section 10.3 except as provided in Section 10.5B.

G. Federal Low Income Tax Credits shall be allocated among the Partners in the same manner as the deductions attributable to the expenditures creating the Federal Low Income Housing Tax Credits are allocated among the Partner in accordance with Section 1.704-1(b)(4)(ii) of the Allocation Regulations.

H. If for any reason the Partnership is required to make a payment for any underpayment of any federal, state or local income or franchise tax or related interest or penalty as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith that will not be satisfied directly by the Partners or former Partners pursuant to an election under Section 6226 of the Code (as amended by the Budget Act), a modification permitted under Section 6225(c) of the Code (as amended by the Budget Act), or any similar election or modification permitted under the Code (as amended by the Budget Act) or state or local law, such tax, interest, and penalty shall be specially allocated to the Partners in accordance with any Treasury Regulations promulgated under Subchapter 63C of the Code (as amended by the Budget Act), or if no such Treasury Regulations have been promulgated, in the manner necessary to maintain the intent of the Partners with respect to the allocation of profits, losses and Tax Credits set forth in the preceding provisions of this Section 10.3, and the obligations of the General Partner under this Agreement including, without limitation, the obligation of the General Partner to make Tax Credit Shortfall Payments under Section 5.2.

Section 10.4 Minimum Gain Chargebacks and Qualified Income Offset

A. If there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, each Partner will be allocated items of income and gain for such year (and, if necessary, subsequent years) in the proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during the year. A Partner is not subject to this Partnership Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Section 1.704-2(f) of the Allocation Regulations.

B. If there is a net decrease in Partner Non-Recourse Debt Minimum Gain during a Partnership taxable year, then each Partner with a share of the minimum gain attributable to such debt at the beginning of such year will be allocated items of income and gain for such year (and, if necessary, subsequent years) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partner Non-Recourse Debt Minimum Gain during the year. A Partner is not subject to this Partner Non-Recourse Debt Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(i)(4) of the Allocation Regulations applied consistently with Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(i)(4) of the Allocation Regulations.

C. In the event that any Partner unexpectedly receives any adjustments, allocations or

distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Allocation Regulations, items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Allocation Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This Section 10.4C is intended to constitute a “qualified income offset” provision within the meaning of the Allocation Regulations and shall be interpreted consistently therewith. For purposes of this Section 10.4C, a Partner’s Capital Account shall be treated as reduced by Qualified Income Offset Items.

D. Subject to the provisions of Sections 10.4A through 10.4C above, in no event shall any Partner be allocated losses that would cause it to have an Adjusted Capital Account Deficit as of the end of any Partnership taxable year. Any losses that are not allocated to a Partner by reason of the application of the provisions of this Section 10.4D shall be allocated to the other Partners (to the extent otherwise permitted under the terms of this Section 10.4D).

E. Subject to the provisions of Sections 10.4A through 10.4D above, in the event that any Partner has an Adjusted Capital Account Deficit at the end of any Partnership taxable year, items of Partnership income and gain shall be specially allocated to each such Partner in the amount of such Adjusted Capital Account Deficit as quickly as possible.

Section 10.5 Special Provisions.

A. Subject to the provisions of Section 13.8, the Investor Limited Partner and Special Limited Partner each shall be deemed to have been admitted to the Partnership as of the first day of the month during which its actual admission occurs for purposes of allocating profits and losses.

B. Income, gain, loss and deduction with respect to property which has a variation between its basis computed in accordance with Section 1.704-1(b) of the Allocation Regulations and its basis computed for federal income tax purposes shall be shared among the Partners for tax purposes so as to take account of such variation in a manner consistent with the principles of Section 704(c) of the Code and Sections 1.704-1(b)(2)(iv)(g) and 1.704-3 of the Allocation Regulations.

C. If the Partnership shall receive any purchase money indebtedness in partial payment of the purchase price of the Project and such indebtedness is distributed to the Partner pursuant to the provisions of Section 10.1B or Section 10.2, the distributions of the cash portion of such purchase price and the principal amount of such purchase money indebtedness hereunder shall be allocated among the Partners in the following manner: On the basis of the sum of the principal amount of the purchase money indebtedness and cash payments received on the sale (net of amounts required to pay Partnership obligations and fund reasonable reserves), there shall be calculated the percentage of the total net proceeds distributable to each class of Partners based on Section 10.1B or Section 10.2, as applicable, treating cash payments and purchase money indebtedness principal interchangeably for this purpose, and the respective classes shall receive such respective percentages of the net cash purchase price and purchase money principal. Payments on such purchase money indebtedness retained by the Partnership shall be distributed in accordance with the respective portions of principal allocated to the respective classes of Partners in accordance with the preceding sentence, and if any such purchase money indebtedness shall be sold, the sale proceeds shall be allocated in the same proportion.

D. In the event that any fee payable to the General Partner or any Affiliate shall instead be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to the General Partner an amount of gross income equal to the amount of such distribution.

E. Notwithstanding any provision to the contrary in this Article X, funds of the Partnership constituting Designated Proceeds shall be applied to pay Development Costs and the Development Fee in accordance with the provisions of this Agreement, the Development Agreement and the Project Documents.

F. In applying the provisions of this Article X with respect to distributions and allocations, the following ordering of priorities shall apply:

(A) Capital Accounts shall be deemed to be reduced by Qualified Income Offset Items.

(B) Capital Accounts shall be reduced by distributions of Cash Flow under Section 10.1A.

(C) Capital Accounts shall be reduced by distributions from Capital Transactions under Section 10.1B.

(D) Capital Accounts shall be increased by any minimum gain chargeback under Section 10.4A or 10.4B.

(E) Capital Accounts shall be increased by any qualified income offset under Section 10.4C.

(F) Capital Accounts shall be increased by allocations of profits under Section 10.3A.

(G) Capital Accounts shall be reduced by allocations of losses under Section 10.3A.

(H) Capital Accounts shall be reduced by allocations of losses under Section 10.3B.

(I) Capital Accounts shall be increased by allocations of profits under Section 10.3B.

G. For purposes of determining each Partner's proportionate share of excess Partnership Non-Recourse Liabilities pursuant to Treasury Regulation Section 1.752-3(a)(3), the Investor Limited Partner shall be deemed to have a 99.99% interest in profits of the Partnership and the General Partner shall be deemed to have a 0.01% interest in profits of the Partnership.

H. To the maximum extent permitted under the Code, allocations of profits and losses shall be modified so that the Partners' Capital Accounts reflect the amount they would have reflected if adjustments required by Section 10.4 had not occurred. Furthermore, if for any Fiscal

Year the application of the provisions of Section 10.4 would cause a distortion in the economic sharing arrangement among the Partners and it is not expected that the Partnership will have sufficient other income to correct that distortion, the General Partner may request a waiver from the Service of the application in whole or in part of Section 10.4 in accordance with Section 1.704-2(f)(4) of the Allocation Regulations. Notwithstanding any provision to the contrary in this Section 10.5H, depreciation deductions shall in all events be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

I. To the extent that interest on obligations to the General Partner or its Affiliates is determined to be deductible by the Partnership in excess of the stated amount of interest payable thereunder, the corresponding additional interest deduction shall be allocated solely to such General Partner.

J. Any taxable income of the Partnership resulting from its receipt of donations, contributions, grants or subsidies (whether in the form of property, cash, or forgivable debt) shall be specially allocated to the General Partner. Any interest income earned by the Partnership on any and all reserve, escrow or other accounts shall be specially allocated to the General Partner.

K. Partnership Non-Recourse Deductions for any Partnership taxable year shall be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

L. Any Partner Non-Recourse Deductions for any Partnership taxable year shall be specially allocated to a Partner that bears the Economic Risk of Loss with respect to the Partner Non-Recourse Debt to which such Partner Non-Recourse Deductions are attributable in accordance with Section 1.704-2(b)(4) and 1.704-2(i) of the Allocation Regulations.

M. The Partnership and its Partners shall be permitted to disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

ARTICLE XI

MANAGEMENT AGENT

Section 11.1 Management Agent

A. Subject to all Requisite Approvals, the General Partner shall obtain a Management Agent, which may be an Affiliate of a General Partner, to manage the Project in accordance with Lender and Agency requirements. The General Partner shall cause the Partnership to enter into the Management Agreement with the Management Agent which agreement (as well as any material amendments thereto) shall be subject to the prior approval of the Special Limited Partner. Any replacement Management Agent shall require the Consent of the Special Limited Partner, and none of the services to be performed by the Management Agent under the Management Agreement may be assigned or subcontracted to third parties without the Consent of the Special Limited Partner. Subject to the Regulations, the Management Agent shall be entitled to receive a reasonable and competitive Management Fee (determined by reference to arm's-length property

management arrangements for comparable properties in force in the general locality of the Project) not to exceed (without Investor Limited Partner approval) the lesser of 3.14% of gross collected rental income or the maximum amount permitted by any relevant Agency or Lender. All Persons involved in managing the Project shall be employed by the Management Agent, and the Partnership shall have no employees.

- B. If at any time after the Completion Date:
- (i) the Project shall be subject to any substantial building code violation which shall not have been cured within 90 days after notice from the applicable Agency or department or unless such violation is being validly contested by the General Partner by proceedings which operate to prevent any fines or criminal penalties from being levied against the Partnership or unless, in the case of any such violation not susceptible of cure within such 90-day period, the General Partner are diligently making reasonable efforts to cure the same;
 - (ii) the sum of the Operating Revenues of the Partnership plus the proceeds of Negative Cash Flow Loans and Voluntary Loans of the General Partner in respect of any period of three (3) consecutive calendar months after the Completion Date shall be insufficient to permit the Partnership to pay when due on a current basis all Partnership obligations in respect of such three (3)-month period;
 - (iii) the representation and warranty set forth in Section 6.5A(x) could not be accurately made or a Recapture Event shall have occurred;
 - (iv) the Debt Service Coverage Ratio of the Partnership, at any time after the Completion Date, is below 1.00 for a period of six (6) consecutive calendar months, or six (6) calendar months (whether consecutive or not) during any 12 calendar month period;
 - (v) the Limited Partners have received a detailed report from the oversight manager engaged by the Partnership pursuant to Section 6.4K that in their reasonable and customary opinion, the records being maintained by the Management Agent are of below-average quality or that such records are insufficient or raise material questions with respect to the eligibility for low-income housing credit of 10 or more apartment units and that the Management Agent, after having been informed of these matters, has not corrected them to the satisfaction of the oversight manager within thirty (30) days;
 - (vi) the Credit Authority has filed a report of noncompliance or failure to certify with the Service on Form 8823 or gives a similar notification to the Service and the Investor Limited Partner reasonably determines that the Management Agent is not diligently curing such noncompliance within the cure period permitted by the Credit Agency; or
 - (vii) the Management Agent or its agents or employees have demonstrated gross negligence or malfeasance in the management of the Project;

then the General Partner shall promptly give to the Special Limited Partner notice of such event and cause the Partnership to terminate the Management Agreement within thirty (30) business days of the giving of such notice (or within such longer period of time as is reasonably needed to obtain any Requisite Approvals), unless the written approval of the Special Limited Partner is obtained to retain the Management Agent. If the General Partner fails to promptly cause the Partnership to terminate the Management Agreement in accordance with the foregoing, then the Special Limited Partner may unilaterally act (without the approval of any General Partner) on behalf of the Partnership to terminate the Management Agreement. Upon a termination of the Management Agreement, the General Partner shall promptly select a qualified Person as the new Management Agent (which, in the event the terminated Management Agent was an Affiliate of the General Partner, shall be unaffiliated with any General Partner), which selection shall be subject to the Consent of the Investor Limited Partner and any Requisite Approvals; and, after such selection, no Management Fee shall be payable to any Management Agent which is an Affiliate of a General Partner unless the management contract reasonably is approved in writing by the Special Limited Partner. By its execution hereof, the Management Agent agrees that the provisions of this Article which limit the amount of the Management Fee and contain certain termination rights with respect to the Management Agreement are hereby incorporated into any present or future Management Agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions).

Section 11.2 Special Power of Attorney

If an event described in clauses (i) through (vii) of Section 11.1B above occurs and the General Partner fails to send a Management Default Notice to the Special Limited Partner within the thirty (30) days of the date the General Partner became aware of such event, the Special Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to take such action, and to execute and deliver such documents on behalf of the Partnership and its Partners, as shall be legally necessary and sufficient to effect the provisions of this Article XI.

Section 11.3 Books and Records Maintained By Management Agent

Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine all books, records and other information concerning the Partnership and the Project maintained by the Management Agent at reasonable times upon reasonable notice.

Section 11.4 Incorporation into Present and Future Management Agreements

By its execution hereof, the Management Agent agrees that the provisions of this Article XI which restrict the assignment or subcontracting of the Management Agent's duties and obligations under the Management Agreement, limit the amount of the Management Fee, and provide for the termination of the Management Agent under the circumstances herein described are hereby incorporated into any present or future Management Agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions). In the event of any conflict between the provisions of this Article XI and any present or future Management Agreement, the provisions of this Article XI shall control.

ARTICLE XII

BOOKS AND REPORTING, ACCOUNTING, TAX ELECTION, ETC.

Section 12.1 Books, Records and Reporting.

A. The General Partner shall keep or cause to be kept at the principal office of the Partnership a complete and accurate set of books, records and supporting documentation with respect to the Partnership's business. The books shall be kept on the accrual basis. Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine the books and all other records and information concerning the Partnership and the Property at reasonable times. The books and records of the Partnership shall include, without limitation, copies of the following: (i) the Partnership's federal, state and local income tax or information returns and reports, if any, and all related back-up documentation for ten (10) years from the date of filing and (ii) financial statements of the Partnership for ten (10) years from the date of production.

B. The books of the Partnership shall be examined by the Accountants in accordance with generally accepted auditing standards annually as of the end of each fiscal year of the Partnership. The General Partner shall cause the Accountants to prepare a balance sheet as of the end of each such year and statements of income, partners' equity and cash flows for such year. Said balance sheet and statements shall be accompanied by the opinion of the Accountants that said balance sheet and statements have been prepared in accordance with generally accepted accounting principles applied consistently with prior periods identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements. As a note to such financial statements, the General Partners shall prepare a schedule of all loans to the Partnership (to be reviewed by the Accountants), setting forth the purpose of such loan and Section of this Agreement under which such loan was obtained. Such schedule shall demonstrate that loans have been made, used, carried on the books of the Partnership (and repaid, if applicable) in accordance with the provisions of this Agreement. In addition, after the first year in which the Accountants examine the financial statements of the Partnership after completion of the Project, the accelerated and straight-line depreciation schedules for that year and all future years, along with the depreciation worksheets, shall be prepared by the General Partner, reviewed by the Accountants and furnished to the Investor Limited Partner. The General Partner shall, promptly upon receipt of such balance sheet and statements and in any event within 90 days after the end of each fiscal year, transmit to the Investor Limited Partner a copy thereof. The Accountants shall also prepare and sign the Federal and state income tax returns of the Partnership. The General Partner shall complete the books of the Partnership in such time as will allow the Accountants to complete such tax returns within 90 days after the end of such fiscal year. Draft copies of such balance sheets and financial statements shall be delivered to the Special Limited Partner for its comment and written approval within 90 days following the end of each fiscal year and the Special Limited Partner shall review and provide comments and/or written approval to such balance sheets and financial statements within 21 days following receipt. Draft copies of such tax returns shall be delivered to the Special Limited Partner for its comment and written approval within 45 days after the end of each fiscal year and the Special Limited Partner shall provide such comments and/or written approval within 21 days following receipt. Prior to receipt of written approval from the Special Limited Partner, no balance sheet, financial statement, or tax

return for the Partnership for any fiscal year shall be filed with or delivered to the Service, any Agency, or any other third party. After receipt of written approval from the Special Limited Partner, the General Partner shall cause such tax returns to be filed by the applicable filing deadline and shall immediately upon the filing thereof transmit to the Investor Limited Partner a copy of Schedule K-1. If the General Partner fail to complete such tax returns and to transmit such Schedule K-1 to the Investor Limited Partner within such time periods, shall fail to transmit the annual balance sheet and financial statements to the Investor Limited Partner within the time period set forth above or shall fail to deliver any of the information required by Section 12.1F within 20 days after the end of any applicable month, upon thirty (30) days' notice of such default, the General Partner shall pay as damages the sum of \$250 per day to the Investor Limited Partner until such Schedule K-1, balance sheet and financial statements and information required pursuant to Section 12.1F are received by the Investor Limited Partner. Such damages shall be paid forthwith by the General Partner. In addition, if the General Partners fail so to pay, the Investor Limited Partner may deduct any unpaid damages from any portion of its Capital Contribution not yet paid, or if such Capital Contribution has been fully paid then the General Partner and its Affiliates shall forthwith cease to be entitled to payment of any fees or distributions. Such payments shall only be restored upon the payment of such damages in full and any amount of such damages not so paid shall be deducted against payments of any fees or distributions otherwise due to the General Partner or its Affiliates. Finally, in the event that the General Partner shall fail to complete the tax return, Schedule K-1, balance sheet, financial statements and/or other information required by Section 12.1F within 10 days of the time required therefor, such failure shall constitute a default by the General Partner under Section 6.3C. Such reports and estimates shall clearly indicate the methods under which they were prepared and shall be made at the expense of the Partnership.

C. The General Partner shall deliver (or shall cause to be delivered) to the Investor Limited Partner the Cost Certification within 90 days of the Completion Date.

D. If the General Partner fails to complete such tax returns and submit such Schedules K-1 on a timely basis, the Investor Limited Partner may select a firm of accountants who shall prepare such returns and Schedule K-1. The General Partner, at their expense, shall immediately furnish all necessary documentation and other information to prepare such tax returns and such Schedules K-1 to such accountants.

E. Every Limited Partner shall at all times have access during normal business hours and upon reasonable notice to the records of the Partnership and may inspect and copy any of them. A list of the names and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request. A reasonable charge for copy work may be charged by the Partnership.

F. Within 20 days following the end of each calendar month, the General Partner shall send to each Person who was a Limited Partner at any time during such month one or more reports which, taken together, provide the following information (which need not be audited): (i) a balance sheet as at the end of such month; (ii) a statement of income for such month on the cash as well as accrual bases; (iii) a statement of cash available for distribution and reserves for such month; (iv) a statement describing (a) any new agreement, contract or arrangement between the Partnership and a General Partner or an Affiliate of a General Partner, (b) the amount of all fees

and other compensation and distributions and reimbursed expenses paid by the Partnership for the month to any General Partner or Affiliate of a General Partner and (c) the amount of all distributions of Cash Flow and Capital Transaction proceeds made to Partners and (v) a report of the significant activities of the Partnership during the month. In addition, if requested by the Investor Limited Partner in writing, within a reasonable time after receipt of such a request, each General Partner shall send to the Investor Limited Partner such recent financial statements (including a balance sheet and statement of income) as shall have been so requested.

G. The General Partner shall provide the Investor Limited Partner with (i) a copy of each draw request for construction or development costs as such requests are made to the relevant Lender; (ii) a copy of each inspection report, evaluation or similar report issued to the Partnership by each relevant Agency or Lender promptly upon receipt thereof; (iii) a copy of each low-income housing tax credit compliance report delivered to or prepared by the applicable tax credit monitoring agency or agencies with respect to the Project; (iv) prompt notice of any casualty or other significant adverse event relating to the Partnership; (v) evidence of insurance; (vi) at least annually, a schedule setting forth the adjustments necessary, if any, to state the income of the Partnership using the longer depreciable lives available under generally accepted accounting principles (rather than the depreciable lives used for federal income tax purposes); (vii) a monthly rent roll within 30 days following the end of each calendar month; (viii) within 90 days after the end of their respective fiscal years, annual financial statements (including balance sheet and income statements), current bank statements, and other financial information requested by the Special Limited Partner for each of the General Partner and Guarantor and (ix) such other information as the Investor Limited Partner may specifically reasonably request from time to time with regard to the business or operations of the Partnership.

H. If requested, the General Partner shall provide the Investor Limited Partner with a brief written summary of the status of the rehabilitation, development, lease-up and operations of the Project during the prior month.

I. An annual pro forma operating budget for the succeeding calendar year shall be prepared by the General Partner and furnished to the Investor Limited Partner by December 1 of each year.

J. Within 30 days following the close of the first year of the Credit Period with respect to the Project, the General Partner shall provide the Investor Limited Partner with a copy (in electronic form if feasible) of all records establishing the qualification of tenants under Section 42 of the Code.

K. As soon as reasonably practicable (but not longer than 60 days) after the last dwelling unit in the Project that is intended to be a Low Income Unit (as set forth in the Project Documents) becomes a Low Income Unit, the General Partner shall provide (at the expense of the Partnership), or cause the Management Agent to provide (at the expense of the Partnership), the Investor Limited Partner with copies of all documentation relating to the initial qualification of each dwelling unit in the Project as a Low Income Unit. Such documentation shall include, without limitation, all documentation pertaining to the qualification of each initial resident as a Qualified Tenant, including, without limitation, the initial lease, all income certification documentation, and rental application for each such Qualified Tenant.

L. [Intentionally Omitted].

M. If the Partnership shall be subject to regulation by HUD and to the filing requirements of the HUD previous participation certification system, then the General Partner shall cause the Partnership and each of its Partners, the Builder, the Developer, the Management Agent and all other principals, to the extent required, to (i) promptly complete their respective registrations and baseline submissions via the internet through the HUD Active Partners Performance System and (ii) promptly submit previous participation certifications (“HUD-2530s”) electronically.

N. The General Partner shall furnish to the Investor Limited Partner for its review and approval:

(i) the Cost Certification prior to its submission to the Credit Authority;

(ii) completed and signed IRS Forms 8609 (Parts I and II) prior to submission to the Service;

(iii) documentation evidencing that fifty percent (50%) or more of the aggregate basis of each of the Buildings and the Land attributable thereto will be financed with an obligation the interest on which is exempt from tax under Section 103 of the Code and which is within the Project State’s volume cap as provided in Section 146 of the Code;

(iv) the annual certification and compliance report prepared by the Management Agent and/or General Partner and submitted to the Credit Authority as evidence of the Partnership’s compliance with the Extended Use Agreement and other matters pertaining to the Partnership’s ongoing eligibility for Federal Low Income Housing Tax Credits; and

(v) copies of any IRS Forms 8823s issued by the Credit Authority with respect to the Project.

Section 12.2 Operating Reserve Bank Accounts. Subject to any Requisite Approvals, the Operating Reserve of the Partnership shall be maintained with the Bank and withdrawals shall be made only in the regular course of Partnership business on such signatures as the General Partner shall determine. All deposits and other funds not needed in the operation of the business shall be deposited, to the extent permitted by any applicable Lender or Agency, in Short-Term Investments, which Short-Term Investments shall be selected by the General Partner.

Section 12.3 Elections. Unless the Investor Limited Partner shall specify a different permissible treatment in writing, and except to the extent otherwise required by Section 168(g)(1)(B) of the Code, the Partnership shall depreciate substantially all of its residential rental property, site improvements and personal property costs, respectively, over thirty (30) years, fifteen (15) years and five (5) years for federal income tax purposes. Notwithstanding the foregoing, the Partnership shall make the election under Code Section 163(j)(7)(B) to be an Electing Real Property Trade or Business. The election will be effective no later than the year any residential rental property, qualified improvement property or nonresidential property is placed in

service, unless otherwise directed by the Special Limited Partner. In addition, the Partnership shall use the maximum bonus depreciation permitted under Code Section 168(k) unless Special Limited Partner directs the General Partner to (a) elect out of bonus depreciation on one or more classes of property for one or more years, or (b) if allowable, elect less than the maximum amount of bonus depreciation. Notwithstanding the foregoing, the General Partner has the sole right to make any election under Section 266 of the Code and Treasury Regulations Section 1.266-1(b)(1)(i) to capitalize all permitted costs and expenses as permitted under the applicable Treasury Regulations promulgated thereunder.

Section 12.4 Special Adjustments. In the event (i) of a transfer of all or any part of any Interest or (ii) an election pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) is made by the Investor Limited Partner, the Partnership shall elect, if requested by the transferee or by the Investor Limited Partner (as the case may be), pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) to adjust the basis of Partnership assets. Any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.5 Fiscal Year. The fiscal year of the Partnership shall be the calendar year unless a different year is required by the Code.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Notices. Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, (iii) intentionally omitted, or (iv) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Partnership, at the principal office of the Partnership set forth in Section 2.2, and if to a Partner, at its address set forth in Schedule A, with copies to Nixon Peabody LLP, 100 Summer Street, Boston MA 02110, Attn: David Kavanaugh; Hope Preservation GP LLC, Attn: Fairstead Affordable LLC, 250 West 55th Street, 35th Floor, New York, NY 10019; and Williams Mullen, 999 Waterside Drive, Suite 1700, Norfolk, Virginia 23510. Attn: Alyssa Carducci Embree.

Section 13.2 Word Meanings. The words such as “herein”, “hereinafter”, “hereof”, and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to “Sections” or “Articles” are to Sections or Articles of this Agreement, unless reference is expressly made to a different document.

Section 13.3 Binding Provisions. The agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except as expressly provided to the contrary in this Agreement.

Section 13.4 Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Formation.

Section 13.5 Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto.

Section 13.6 Paragraph Titles. Paragraph titles and any table of contents herein are for descriptive purposes only and shall not affect the meaning of this Agreement as set forth in the text.

Section 13.7 Separability of Provisions; Rights and Remedies.

A. Each provision of this Agreement shall be considered separable and (i) if for any reason any provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State of Formation, such provisions shall be deemed void and of no effect.

B. Each of the parties hereto irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership is required to be continued under Article VII) any right (i) that such party may have to maintain any action for partition with respect to the property of the Partnership, and (ii) to commence an action seeking dissolution of the Partnership (unless the Consent of the Investor Limited Partner has been obtained).

C. The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any 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 limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention that the respective rights and obligations of the Partners shall be enforceable in equity as well as at law or otherwise.

D. Each Partner and Guarantor irrevocably:

- (i) agrees that any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby shall be brought in the courts of record of Henrico County, Virginia or the courts of the United States located in the Commonwealth of Virginia;
- (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding;

- (iii) waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any of such courts;
- (iv) waives its right to a jury trial with respect to any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby.

Section 13.8 Effective Date of Admission. Any Partner admitted to the Partnership during any calendar month shall be deemed to have been admitted as of the first day of such calendar month for all purposes of this Agreement including the allocation of profits, losses and credits under Article X; provided, however, that if regulations are issued by the Service or an amendment to the Code is adopted which would require, in the opinion of the Accountants, that a Partner be deemed admitted on a date other than as of the first day of such month, then the General Partners shall select a permitted admission date which is most favorable to the Partner.

Section 13.9 Amendment Procedure. This Agreement may be amended only by written agreement among all of the Partners; provided, however, that no amendment shall be made to this Agreement which will affect the rights of any Lender or Agency under the terms of any Project Document without the prior written approval of such Lender or Agency.

Section 13.10 Additional Information. At the request of the Investor Limited Partner, the General Partner shall make available for inspection or furnish to the Investor Limited Partner: (i) plans and specifications for the Project; (ii) manuals, booklets and other documents describing the location and operation of all systems within the Project, including without limitation heating, air conditioning, elevator, electrical and plumbing systems (to the extent within the General Partner's possession); (iii) a list and copies of all agreements concerning the maintenance, operation and management of the Project; and (iv) such other information regarding the Partnership or the Project as the Investor Limited Partner may reasonably request.

Section 13.11 Further Documents and Actions. The Partners and the Guarantor agree that they shall, from time to time, execute and deliver such further documents and do such further actions and things as may be reasonably requested by any other such party in order to effect fully the purposes of this Agreement and each other agreement or instrument identified on the Document Schedule.

Section 13.12 Brokers or Finders. The parties hereto agree that no broker or finder has any claim for commissions or fees in connection with the transaction embodied herein. The General Partner shall jointly and severally indemnify the Limited Partners against any brokers' or finders' fees or commissions claimed through any General Partner or its Affiliates in connection with the transactions contemplated hereby, including without limitation fees or commissions claimed by any syndicator or consultant engaged by any General Partner or any of its Affiliates.

Section 13.13 Delivery of Certificate. Promptly upon the filing of the Certificate and each amendment thereto in the Filing Office, the General Partner shall deliver or mail a copy thereof to each Limited Partner.

Section 13.14 Signs. The General Partner shall, at the expense of the Partnership, cause a sign to be placed and maintained on a suitable location on the Land indicating that the Investor

Limited Partner or an Affiliate is providing financial assistance to the Project, which sign may include other information regarding the Project.

Section 13.15 Access to Property. The Limited Partners and/or their designated representatives shall have the right to visit the Property upon advance notice to the General Partner or the Management Agent, subject to the rights of tenants under the leases.

Section 13.16 Representation of the Investor Limited Partner and the Special Limited Partner. The Investor Limited Partner and the Special Limited Partner hereby represent, warrant and agree that to the best of the Investor Limited Partner's and the Special Limited Partner's knowledge, after due inquiry, neither the Investor Limited Partner, Special Limited Partner nor any principal of same are on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury. Both the Investor Limited Partner and the Special Limited Partner (i) are in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including, without limitation, Executive Order 13224, (ii) are not, nor is any affiliate, on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) is not otherwise identified by a government entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, "**U.S. Person**" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

Section 13.16 Single Purpose Entity Requirements.

- (a) Single Purpose Entity Requirements. Until the Indebtedness is paid in full, each Borrower and any SPE Equity Owner will remain a "**Single Purpose Entity,**" which means at all times since its formation and thereafter it will satisfy each of the following conditions (capitalized terms in this subsection have the definitions assigned in the Continuing Covenant Agreement by and between the Partnership and Bank):
- (i) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.
 - (ii) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.
 - (iii) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.

- (iv) It will not merge or consolidate with any other Person.
- (v) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Continuing Covenant Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.
- (vi) It will not, without the prior unanimous written consent of all of Borrower's partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of Borrower or the SPE Equity Owner, take any of the following actions:
 - (A) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Borrower or any SPE Equity Owner be adjudicated bankrupt or insolvent.
 - (B) Institute proceedings under any applicable insolvency law.
 - (C) Seek any relief under any law relating to relief from debts or the protection of debtors.
 - (D) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower or any SPE Equity Owner.
 - (E) File a petition seeking, or consent to, reorganization or relief with respect to Borrower or any SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency.
 - (F) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or a substantial part of its property or for any SPE Equity Owner or a substantial part of its property.
 - (G) Make any assignment for the benefit of creditors of Borrower or any SPE Equity Owner.
 - (H) Admit in writing Borrower's or any SPE Equity Owner's inability to pay its debts generally as they become due.
 - (I) Take action in furtherance of any of the foregoing.

- (vii) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in Section 6.13 of the Continuing Covenant Agreement.
- (viii) It will not own any subsidiary or make any investment in, any other Person.
- (ix) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.
- (x) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:
 - (A) The Indebtedness and any Supplemental Loans.
 - (B) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.
 - (C) through (H) are reserved.
- (xi) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that Borrower's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of Borrower from such Affiliate and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person, and (B) such assets will also be listed on Borrower's own separate balance sheet.
- (xii) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of Borrower or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

- (xiii) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.
- (xiv) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Project Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.
- (xv) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Financing Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).
- (xvi) It will file its own tax returns separate from those of any other Person, unless Borrower (A) is treated as a “disregarded entity” for tax purposes and is not required to file tax returns under applicable law or (B) is required by applicable law to file consolidated tax returns, and will pay any taxes required to be paid under applicable law.
- (xvii) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.
- (xviii) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, nothing in Section 6.13(a)(xviii) of the Continuing Covenant Agreement will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.
- (xix) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.
- (xx) It will pay (or cause the Property Manager to pay on behalf of Borrower from Borrower’s funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, nothing in Section 6.13(a)(xx) of the Continuing Covenant Agreement will require any

member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.


- (xxi) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.
- (xxii) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.
- (xxiii) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, nothing in Section 6.13(a)(xxiii) of the Continuing Covenant Agreement will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.

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IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Agreement of Limited Partnership under seal as of the day and year first above written.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: 
Name: John Tatum
Title: Authorized Signatory

ORIGINAL LIMITED PARTNER:

FA ACQUISITIONS LLC, a Delaware limited liability company

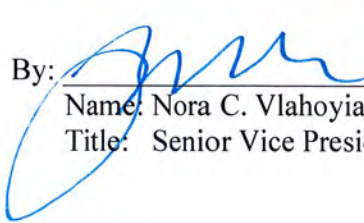
By: 
Name: John Tatum
Title: Authorized Signatory

INVESTOR LIMITED PARTNER:

STCC HOPE PRESERVATION LLC, a Georgia limited liability company

By: SunTrust Community Capital, LLC, a Georgia limited liability company, its manager

By:



Name: Nora C. Vlahoyiannis

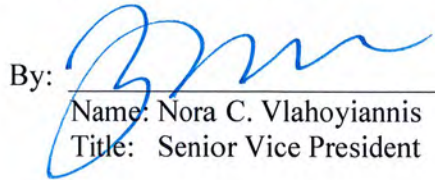
Title: Senior Vice President

SPECIAL LIMITED PARTNER:

CDC SPECIAL LIMITED PARTNER, L.L.C., a Georgia limited liability company

By: SunTrust Community Capital, LLC, a Georgia limited liability company, its manager

By:



Name: Nora C. Vlahoyiannis

Title: Senior Vice President

SCHEDULE A

HOPE PRESERVATION LP

PARTNERS AND CAPITAL CONTRIBUTIONS

<u>Name and Business Address</u>	<u>Capital Contributions</u>	<u>Percentage of Partnership Interests for Class</u>
<u>GENERAL PARTNER:</u>		
Hope Preservation GP LLC 250 West 55 th Street, 35 th Floor New York, New York 10019 Attn: Fairstead Affordable LLC	\$100	100%
<u>INVESTOR LIMITED PARTNER:</u>		
STCC Hope Preservation, LLC SunTrust Community Capital, LLC Mail Code GA-ATL-0243 c/o SunTrust Community Capital, LLC 1155 Peachtree Street, N.E., Suite 300 Atlanta, Georgia 30309	\$4,879,000 *	100%
<u>SPECIAL LIMITED PARTNER:</u>		
CDC Special Limited Partner, L.L.C. SunTrust Community Capital, LLC Mail Code GA-ATL-0243 c/o SunTrust Community Capital, LLC 1155 Peachtree Street, N.E., Suite 300 Atlanta, Georgia 30309	\$10.00	100%

*\$487,900 has been paid in as of the date of the Investment Closing; additional amounts are required to be paid in pursuant to Section 5.1A, subject to adjustment and conditions to payment as provided herein.

EXHIBIT 1

HOPE PRESERVATION LP

ACCOUNTANT'S CERTIFICATION

[attached behind]

EXHIBIT 2

HOPE PRESERVATION LP

SECOND INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Hope Preservation LP (the "Partnership"), does hereby certify to STCC Hope Preservation, LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of July 1, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Second Installment have been satisfied.
2. The amount of the Second Installment is \$ _____.
3. The Fifty Percent Completion Date occurred on _____. Evidence thereof is attached hereto.
4. Intentionally omitted.
5. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
6. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.2 of the Partnership Agreement.
7. No Material Default has occurred and is continuing.
8. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.
9. Attached hereto is a date-down endorsement to the Title Policy dated within 30 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20____.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: _____

Name:

Title:

EXHIBIT 3

HOPE PRESERVATION LP

THIRD INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Hope Preservation LP (the "Partnership"), does hereby certify to STCC Hope Preservation, LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of July 1, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Third Installment have been satisfied.

2. The amount of the Third Installment is \$ _____.

3. The Seventy-Five Percent Completion Date occurred on _____. Evidence thereof is attached hereto.

4. Intentionally omitted.

5. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

6. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.2 of the Partnership Agreement.

7. No Material Default has occurred and is continuing.

8. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

9. Attached hereto is a date-down endorsement to the Title Policy dated within 30 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20____.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT 4

HOPE PRESERVATION LP

FOURTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Hope Preservation LP (the "Partnership"), does hereby certify to STCC Hope Preservation, LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of July 1, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fourth Installment have been satisfied.
2. The amount of the Fourth Installment is \$ _____.
3. The Completion Date occurred on _____. Evidence thereof is attached hereto.
4. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
6. No Material Default has occurred and is continuing.
7. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.
8. Attached hereto is a date-down endorsement to the Title Policy dated within 30 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20__.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT 5

HOPE PRESERVATION LP

FIFTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Hope Preservation LP (the "Partnership"), does hereby certify to STCC Hope Preservation, LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of July 1, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fifth Installment have been satisfied.
2. The amount of the Fifth Installment is \$ _____.
3. The Partnership has received a properly completed and signed IRS Forms 8609 from the Credit Authority for each of the Buildings, copies of which are attached hereto.
4. Attached hereto is a recorded copy of the Extended Use Agreement.
5. Attached hereto is the final approved Cost Certification prepared by the Accountants.
6. The Stabilized Occupancy Date has been achieved and maintained for a period of not less than 90 consecutive days ending _____. Copies of the tenant income certifications and first-year tenant files for each of the Qualified Tenants in the Property have been delivered to the Special Limited Partner.
7. Final Closing has occurred or is scheduled to occur at the time of payment of this Fifth Installment.
8. The Operating Reserve has been funded or will be funded at the time of payment of this Fifth Installment.
9. The Stabilized Operations Date has been achieved, as evidenced by the Accountant's determination letter attached hereto as Attachment A.
10. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
11. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
12. No Material Default has occurred and is continuing.
13. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

14. Attached hereto is a date-down endorsement to the Title Policy dated within 10 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

15. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

16. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

17. No Material Default has occurred and is continuing.

18. Attached hereto is an ALTA as-built survey and a date-down endorsement to the Title Policy dated within 30 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement

19. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 2017.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: _____
Name:
Title:

Attachment A

ACCOUNTANT'S CERTIFICATE/
DETERMINATION OF DEBT SERVICE COVERAGE RATIO

[Date]

Hope Preservation LP (the "Partnership")
250 West 55th Street, 35th Floor
New York, New York 10019
Attn: Fairstead Affordable LLC

STCC Hope Preservation, LLC (the "Investor Limited Partner")
SunTrust Community Capital, LLC ("SunTrust")
Mail Code GA-ATL-0243
c/o SunTrust Community Capital, LLC
1155 Peachtree Street, N.E., Suite 300
Atlanta, Georgia 30309

Re: Hope Village Apartments, Glen Allen, Virginia

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the Investor Limited Partner and SunTrust to the accounting records of the Partnership solely to assist you in determining if the Partnership met the debt service coverage ratio requirement of the Partnership Agreement. We performed the agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We obtained and read the pertinent portions of the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of July 1, 2018 (the "Partnership Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Partnership Agreement. We also obtained an annual budget prepared by the Project's management agent for the year ended December 31, 20__.

Based upon information provided to us by the Partnership concerning a 100-unit apartment complex located in Glen Allen, Virginia and commonly known as the "Hope Village Apartments" (the "Project"), we have performed the following procedures:

1. We have prepared a statement of income and expenses for each of the _____ months ended _____, 20__.
2. We have adjusted the statement to annualize all expenditures, including those of a seasonal or irregular nature which might reasonably be expected to be incurred on an unequal basis

during a full annual period of operations. (Examples of such expenditures include debt service, reserve funding, maintenance, utilities, snow removal and real estate taxes).

3. We have compared the budget for such period to the statement of actual results, and have made all inquiries we considered necessary with respect to any material variances.

4. We have compared the statement of actual results to underwritten expenses of \$[] per unit per month and underwritten rents of \$[] per month (which assumes a 5.00% vacancy rate).

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Partnership. **[specify procedures]**

Based upon the above procedures, we have determined that the Partnership for each of three (3) consecutive calendar months beginning on _____, 20__ has achieved a Debt Service Coverage Ratio of at least ___%. Copies of the calculations and adjustments we have made in reaching this determination and of financial statements and budgets upon which such calculations are based are attached hereto.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Partnership, the Investor Limited Partner and SunTrust Community Capital, LLC (and its affiliates) and is not intended and should not be used by anyone other than these parties.

Date: _____

[SIGNATURE]

EXHIBIT 6

HOPE PRESERVATION LP

SIXTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Hope Preservation LP (the "Partnership"), does hereby certify to STCC Hope Preservation, LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of July 1, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Sixth Installment have been satisfied.

2. The amount of the Sixth Installment is \$ _____.

3. The Partnership has received a properly completed and signed IRS Forms 8609 from the Credit Authority for each of the Buildings, copies of which are attached hereto.

4. April 1, 2020 has occurred.

5. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

6. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

7. No Material Default has occurred and is continuing.

8. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

9. Attached hereto is a date-down endorsement to the Title Policy dated within 10 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

10. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

11. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

12. No Material Default has occurred and is continuing.

13. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership

Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 2017.

GENERAL PARTNER:

HOPE PRESERVATION GP LLC, a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT 7

DOCUMENT SCHEDULE

**ACQUISITION BY STCC HOPE PRESERVATION, LLC
OF A LIMITED PARTNERSHIP INTEREST IN
HOPE PRESERVATION LP**

As of July 1, 2018

1. Second Amended and Restated Agreement of Limited Partnership
2. Development Agreement
3. Supervisory Management Agreement
4. Guaranty Agreement
5. Closing Certificate
6. Purchase Option
7. Credit Approval
8. Investment Assumptions attached hereto as **Exhibit 9**
9. Opinion of Company Counsel
10. Owner's Policy of Title Insurance (to be delivered within 30 days of Investment Closing)
in amount of \$18,224,001 with all required endorsements
11. Tax Opinion of Nixon Peabody LLP
12. Insurance Certificates (satisfying requirements of **Exhibit 8** of the Partnership Agreement)

EXHIBIT 8

HOPE PRESERVATION LP

INSURANCE REQUIREMENTS

A. (a) During the course of construction, builders risk insurance (with a deductible of no more than \$10,000) protecting the buildings and structures on property during the course of construction against fire, flood, windstorm and other risks, including without limitation, sinkhole collapse, and the General Partners shall cause such insurance coverage to be in the maximum amount both as required by (i) any Lender, Agency, and the Special Limited Partner and (ii) good management practices, and in any event in an amount equal to the full replacement value of the Property (other than the Land), (b) property insurance, upon completion of the property, (with a deductible of no more than \$10,000) protecting the property against fire, flood, windstorm and other risks, including without limitation, sinkhole collapse, and the General Partner shall cause such insurance coverage to be in the maximum amount both as required by (i) any Lender, Agency, and the Special Limited Partner and (ii) good management practices, and in any event in an amount equal to the full replacement value of the Property (other than the Land), (c) business or rental interruption insurance in a minimum amount sufficient to provide coverage for the loss of rental income to the Partnership for the time required to rebuild the property in the event of a total loss, and (d) commercial general liability insurance for the benefit of the Partnership and its Partners, written on a per occurrence basis, to include coverage for Broad Form Property Damage, Bodily Injury, Personal Injury, Blanket Contractual Liability, Products/Completed Operations, with limits in at least \$6,000,000 per occurrence combined single limit (of which up to \$5,000,000 may be provided under an “umbrella” policy). The above required insurance policies shall be primary and noncontributory with respect to any other insurance maintained by the Investor Limited Partner or its affiliate companies.

- (i) Except where otherwise noted, all of the insurance contracts required by this Agreement shall (i) be written by insurance with an A.M. Best Rating of not less than “A-”, and licensed to do business in the state in which the Property is located; (ii) specifically identify the Partnership as a named insured and the Investor Limited Partner as an additional insured; and (iii) include a provision requiring the insurance company to notify the Investor Limited Partner in writing no less than 30 days prior to any cancellation or non-renewal of coverage. The commercial general liability insurance (and any applicable umbrella liability insurance) shall specifically be endorsed to name as Additional Insureds, the Investor Limited Partner its subsidiaries, affiliate companies, its officers, directors and employees. In addition, the General Partner shall (a) provide the Investor Limited Partner with certificates or memoranda of insurance required by this Agreement within three days of their inception and subsequent renewals and (b) deliver to the Investor Limited Partner certified copies of all insurance contracts as the Investor Limited Partner may reasonably request from time to time to confirm that the provisions of this Agreement shall have been complied with. It shall also be the responsibility of the General Partner to notify the Investor Limited Partner of any material change resulting in a reduction in the coverage afforded to the Partnership in the aforementioned policies of insurance.

(ii) It is understood by all parties that the Partnership shall not maintain any employees. It shall be the responsibility of the General Partner to maintain workers compensation insurance for its employees providing statutory workers compensation limits and \$1,000,000 in employer's liability limits. The General Partner shall require the Management Agent to maintain workers compensation insurance for its employees providing statutory workers compensation limits and \$1,000,000 in employer's liability limits. The General Partner shall require its workers compensation insurer and the Management Agent's workers compensation insurer to include in its insurance policies a waiver of subrogation clause in favor of the Partnership and the Limited Partners. In cases where an automobile is used on the Property by the Management Agent in the course and scope of its duties as defined in a separate agreement, it shall be the responsibility of the General Partner to ensure that automobile liability insurance is continually maintained by the Management Agent in accordance with the above insurer requirements and at a combined single limit of \$1,000,000. The automobile liability insurance shall name the Partnership and the Investor Limited Partner (including its subsidiaries, affiliate companies, its officers, directors and employees) as Additional Insureds. It shall be the responsibility of the General Partner to ensure that any contractors or subcontractors performing work on the premises (during the course of construction or upon completion of construction) provide evidence of commercial general liability insurance, automobile liability insurance and workers compensation insurance at the limits detailed below:

- (1) Commercial general liability insurance written on a per occurrence basis, to include coverage for Broad Form Property Damage, Bodily Injury, Personal Injury, Blanket Contractual Liability, Products/Completed Operations, with limits in at least \$6,000,000 per occurrence combined single limit (of which up to \$5,000,000 may be provided under an "umbrella" policy). This policy shall name the Partnership and the Investor Limited Partner (including its subsidiaries, affiliate companies, its officers, directors and employees) as Additional Insureds.
- (2) Automobile liability insurance in an amount of not less than \$1,000,000 combined single limit. Such policy shall include coverage for all vehicles owned, hired, non-owned and borrowed by the contractor or subcontractor in the performance of work on the subject property.
- (3) Workers compensation insurance providing statutory workers compensation limits and \$1,000,000 in employer's liability limits

The above required insurance policies maintained by the General Partner, Management Agent and/or any contractors or subcontractors shall be primary and noncontributory with respect to any other insurance maintained by the Partnership or by the Investor Limited Partner or its affiliate companies.

EXHIBIT 9

HOPE PRESERVATION LP
INVESTMENT ASSUMPTIONS

[attached behind]

7/25/2018

ST LIHTC Proforma - Hope Village - 7-25-2018 - FINAL

Hope Village

Fairstead Affordable

Developer

Hope Preservation LP

Partnership

Hope Preservation GP LLC

General Partner

STCC Hope Preservation LLC

Limited Partner

**Hope Preservation LP
Schedule of Inputs and Assumptions**

Parties/Players				
Partnership Name	Hope Preservation LP	General Partner (1)		Hope Preservation GP LLC
Project Name	Hope Village	General Partner (2)		
Developer (1)	Fairstead Affordable	Investor Limited Partner (1)		STCC Hope Preservation LLC
Developer (2)		Special Limited Partner		CDC Special Limited Partner, L.L.C.

Tax Credit Information				
Federal Credit Price	0.9300	New/Rehab?		Rehab
State Low Income		Bond Deal? (Y or N)		Y
Federal Historic		Acquisition Credits (Y or N)		Y
State Historic		Acq Credit Rate		3.29%
QCT/DDA? (Y or N)	N	New Construction Credit Rate		3.29%
Is there a HOME loan? (Y or N)	N	Tax Credit Rate Locked In? (Y or N)		N
Investment Method?	Direct	Amount of Allocation	\$	524,623
Disguised Sale (Y or N)?	N	Year of Allocation		2018

Applicable Percentages				
	Ownership	Cash Flow		Special Allocations
General Partner (1)	GP (1) 0.010%	90.00%		100.00%
General Partner (2)	GP (2) 0.0000%	0.00%		0.00%
Investor Limited Partner (1)	LP (1) 99.99%	10.00%		0.00%
Special Limited Partner	SLP 0.00%	0.00%		0.00%

Important Dates				
Closing Date	8/1/2018	Lease Up Period		1
Construction Start	8/1/2018	Months until Stabilization		4
Construction End	8/1/2019			
Construction Period	12			

Capital Contributions

Federal Equity Contributions				
Installment	Description	Percentages	Date	Equity
1st	Admission	10.0%	8/1/2018	\$ 487,900
2nd	50% Completion	20.0%	4/1/2019	\$ 975,800
3rd	75% Completion	20.0%	7/1/2019	\$ 975,800
4th	Completion	20.0%	8/1/2019	\$ 975,800
5th	Stabilization	15%	1/1/2020	\$ 731,850
6th	Tax Return/8609	15%	4/1/2020	\$ 731,850
Federal Equity Bridge Interest Rate		0.0%		\$ 4,879,000

**Hope Preservation LP
Schedule of Inputs and Assumptions**

General					
Location		Glen Allen, VA	First Year Credit Assumption		100.0%
Year Construction is Complete		2019	Second Year Credit Assumption		100.0%
Year Operations Begin		2019	Third Year Credit Assumptions		100.0%
Number of Units		100	SunTrust Tax Rate		24.000%
Number of Low Income Units		100	County		Henrico County, VA
Replacement Reserve/unit		300	New or Rehab?		Rehab
RR Escalator		0.00%	Construction Contingency (%)		6.000%
Replacement Reserve Interest Rate		0.0%	Section 8 Property? (Y or N)		Y
Working Capital Reserve		327,550	Interim Income as a Source?		No
Paid out of development costs? (Y or N)		Y	Percentage Low Income		100.0%
WCR Escalator		0%	Rural (Y or N)		N
Operating Deficit Loan Max		1,373,529	Commercial Space Percentage		
Operating Deficit Loan Yr Committed To		5	Cash Developer Fee (%)		100.00%
Operating Deficit Loan Interest Rate		0%	Cash Fee to be paid from Equity	\$	1,741,999
GP Equity Override			Deferred Developer Fee	\$	0
Voluntary Partner Loans Interest Rate			Related Party Const Co? (Y or N)		N
First Year Credit Delivery		2019			
			Number of Buildings	Basis % of Total	12
			Building 1 PIS	100%	1/1/2019
				100%	
			Land - As Is		
			Building - As Is		
			Total - Inc Approach (Restricted)		
			Is the GP a Non-profit? (Y or N)		N
			Operating Deficit Guarantee		0 0
			Operating Deficit Guarantee Start		1/1/2019
			Operating Deficit Guarantee End		1/1/2024

Unit Type	Income					Gross
	#	Sq Ftg	Net	UA		
1BR	12	650	1,085	73	\$	1,158
2BR	54	800	1,320	103		1,423
3BR	34	950	1,460	129		1,589
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
	-	-	-	-		-
Total Income Generating Units	100	2,400	\$ 3,865	\$ 305	\$	4,170
Gross Potential Revenue					\$	1,607,280
Vacancy loss, Year 1						5.00%

Expenses			
Expense Escalator, Year 1			3%
Expense Escalator, Year 2			3%
Expense Escalator, Years 3-16			3%
Property Management Fee (% of revenue)			3.14%
Property Management Fee Start Date			1/1/2019
Asset Mgmt Fee (per unit)	\$		50
Asset Mgmt Fee Escalator %			3%
Asset Mgmt Fee Start Year			2019
Incentive Mgmt Fee (%)			12%
Incentive Mgmt Fee Start Date			1/1/2019
	Per Unit	Total	Start Date
Operating Expenses	\$ 771	\$ 77,146	1/1/2019
Property Tax	700	70,000	1/1/2019
Insurance	550	55,004	1/1/2019
Payroll	-	0	1/1/2019
Repair & Maintenance	1,495	149,460	1/1/2019
Utilities	695	69,500	1/1/2019
Property Management Fee	480	48,000	1/1/2019
Total Expenses per Unit Before RR	\$ 4,691	\$ 469,110	0
Commercial Income Start Date			1/0/1900
	Sq Ftg	Rent/SF	
Commercial	0	0	0
Comm Vacancy, Year 1			

**Hope Preservation LP
Schedule of Inputs and Assumptions**

Vacancy loss, Year 2
 Vacancy loss, Years 3 - 16
 Rental Growth
 Year Rental Growth Starts
 Other Income/Unit/Year

5.00%
 5.00%
 2.00%
 2020
 \$ 51

Comm Vacancy, Year 2
 Comm Vacancy, Years 3 - 16
 Interest Income/Unit/Year
 Commercial Growth Year 1
 Commercial Growth Year 2
 Commercial Growth Years 3-16
 Grant Amount

2%
 3%
 4%

**Hope Preservation LP
Schedule of Financing**

LOAN PRODUCT

Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
-------------	--------	--------	--------	--------	--------	--------

INPUT - INTEREST ONLY PERIOD

Additional Interest Reserve (months)	-	-	-	-	-	-
Total Interest Only Period (months)	17	17	17	17	17	17

INPUT - GENERAL TERMS

	Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Loan Amount	\$ 13,345,000	\$ -	\$ -	\$ -	\$ -		
Amortization Term (months)	420	480	480	420	420	420	29
Origination Date	7/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018
Loan Amortization Schedule Start Date	7/1/2018	1/0/1900	1/0/1900	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Amortization Override	N	N	Y	N	Y	N	Y
Soft Debt (Y or N)?	N	N	Y	N	Y	N	N
Interest Only?	No	No	No	No	No	Yes	Yes
Loan Term (months)	192	420	420	420	420		29
Interest Rate Protection (Y or N)?	N	N	N	N	N	N	N
If Y, what type? (Swap, Collar or Cap)							
Term of Rate Protection (months)							
Non-Recourse (Y or N)?	Y	Y	Y	Y	Y	Y	Y
Reserve Amount During Construction	-	-	-	-	-	-	-
Available during construction (Y or N)?	Y	Y	N	N	N	N	N

INPUT - RATE STACK (Permanent Loan)

	Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Base Interest Rate	4.670%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Rate Index							
Floating or Fixed?	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Rate Quote Date							

Underwriting Interest Rate

	4.670%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
--	--------	--------	--------	--------	--------	--------	--------

INPUT - RATE STACK (Construction Loan)

	Construction Loan	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Base Interest Rate	4.670%	0.000%	0.000%	0.00%	0.00%	0.00%	0.00%
Rate Index		-					
Floating or Fixed?							
Rate Quote Date							

Plus: Underwriting Cushion

	0.00%	0.00%					
--	-------	-------	--	--	--	--	--

Total

	4.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
--	-------	-------	-------	-------	-------	-------	-------

**Hope Preservation LP
Uses and Development Funds**

	Total	Acq	New	Ineligible	Historic	Amortizable	Useful Life (For Amortizable Costs)	Cost Per Unit
Pre-development Costs	Appraisal	\$ 8,000 *	\$ -	\$ 8,000	\$ -	\$ -		\$ 80
	Market Study	5,000 *	-	5,000	-	-		50
	Environmental	-	-	-	-	-		-
	Soil Borings	-	-	-	-	-		-
	DCA Loan Application	-	-	-	-	-		-
	Tax Credit Application Fees	-	-	-	-	-		-
	Survey/Engineering	2,000 *	-	2,000	-	-		20
	Other: third parties	27,000 *	-	27,000	-	-		270
	Other: PNA	6,500 *	-	6,500	-	-		65
	Other:	-	-	-	-	-		-
Acq	Land	1,200,000 *	-	-	1,200,000	-		12,000
	Acquisition Legal Fees	-	-	-	-	-		-
	Existing Structure	8,234,628 *	8,234,628	-	-	-		82,346
	On-Site Improvements	382,651	-	382,651	-	-		3,827
	Off-Site Improvements	-	-	-	-	-		-
	Hard Cost Construction	3,885,349 *	-	3,885,349	-	-		38,853
	Furnishings	-	-	-	-	-		-
	Appliances	-	-	-	-	-		-
	Construction Contingency	328,011	-	285,000	43,011	-		3,280
	Other Eligible: Other Work	-	-	-	-	-		-
Construction	Other Eligible: Softscapes/Hardscapes	-	-	-	-	-		-
	Other Eligible: Construction Mgmt	128,040 *	-	128,040	-	-		1,280
	Other Ineligible:	-	-	-	-	-		-
	Other Ineligible:	-	-	-	-	-		-
	Other Ineligible:	-	-	-	-	-		-
	Builder's Overhead	85,360 *	-	85,360	-	-		854
	Builder Profit	128,040 *	-	128,040	-	-		1,280
	Const. Gen. Requirements	256,080 *	-	256,080	-	-		2,561
	Payment & Performance	60,000 *	-	60,000	-	-		600
	GC Serv	Construction Loan Fee	-	-	-	-	-	
Construction Period Interest		-	-	-	-	-		-
Construction Legal Fees		-	-	-	-	-		-
Construction Insurance		-	-	-	-	-		-
Construction Monitoring		21,000 *	-	21,000	-	-		210
Other: Professional Fees		-	-	-	-	-		-
Other:		-	-	-	-	-		-
Other: Developer Legal		135,000	-	20,000	-	135,000		1,350
Architectural Fee - Design		115,000 *	-	115,000	-	-		1,150
Architectural Fee - Supervision		35,000 *	-	35,000	-	-		350
Const Fin	Engineering	-	-	-	-	-		-
	Real Estate Attorney	-	-	-	-	-		-
	Accounting	12,000 *	-	12,000	-	-		120
	Other:	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
	Building Permits	20,000 *	-	20,000	-	-		200
	Impact Fees	-	-	-	-	-		-
	Real Estate Taxes	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
Profess fees	Other: Capitalized TE taxes + ins	46,700 *	-	46,700	-	46,700		467
	Other: Issuance Legal	-	-	-	-	-	15	-
	Other: Capitalized perm interest	336,000 *	-	336,000	-	336,000	15	3,360
	Permanent Loan Fees	-	-	-	-	-	30	-
	Permanent Loan Legal Fees	124,500	-	-	124,500	-		1,245
	Title & Recording Fees	58,167 *	-	34,639	23,528	58,167	30	582
	As-Built Survey	-	-	-	-	-		-
	Cost of Issuance	188,000	-	-	188,000	-		1,880
	Other:	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
Gov't	Tax Credit Reservation Fee	39,023 *	-	-	39,023	-		390
	Compliance Monitoring Fee	-	-	-	-	-	10	-
	Ptshp Org Costs	5,000 *	-	5,000	(5,000)	5,000		50
	Bridge Loan Fee and Interest	-	-	-	-	-		-
	Tax Credit Legal Opinion	-	-	-	-	-	15	-
	Equity Investor's Fee	-	-	-	-	-	15	-
	Tax Credit Legal Fees	50,000 *	-	-	-	50,000		500
	Other: tax and ins escrow	58,403 *	-	-	58,403	-		584
	Developer's Fee	1,741,999	-	1,741,999	-	-		17,420
	Rent Up Reserve	-	-	-	-	-		-
Financing	Working Capital Reserve	327,550	-	-	327,550	-		3,276
	Marketing & Advertising	-	-	-	-	-		-
	Operating Deficit Reserve	-	-	-	-	-		-
	Replacement Reserve	-	-	-	-	-		-
	Other: Relocation	70,000 *	-	-	70,000	-		700
	Other: soft cost contingency	89,000 *	-	50,000	39,000	-		890
	Other: travel expenses	15,000 *	-	15,000	-	-		150
	Other:	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
	Other:	-	-	-	-	-		-
TOTAL USES	\$ 18,224,001	\$ 8,234,628	\$ 7,711,358	\$ 2,108,015	\$ -	\$ 630,867		182,240

**Hope Preservation LP
Sources of Development Funds**

Sources	
Federal LIHTC Equity	\$ 4,879,000
Federal Historic Equity	-
State Historic Equity	-
State LIHTC Equity	-
Misc Soft Debt 1	-
Misc Soft Debt 2	-
Misc Soft Debt 3	-
Misc Soft Debt 4	-
Freddie TEL	13,345,000
Loan 2	-
Loan 3	-
Loan 4	-
Loan 5	-
Loan 6	-
Loan 7	-
Grant	-
Income during Construction	-
Sub-Total Sources	\$ 18,224,000
Deferred Developer Fee	0 0.00%
GP Equity	0
	\$ 18,224,001
	0

Credit Calculation					
	Acq	Rehab	Historic	State Historic	Total
Eligible Basis	\$ 8,234,628	\$ 7,711,358	\$ -	\$ -	
Federal Basis Reduction Grant		-			
		<u>7,711,358</u>			
QCT/DDA --->	N	<u>1.00</u>			
		7,711,358			
Percentage LI	<u>100.00%</u>	<u>100.00%</u>			
Credit Rate	\$ 8,234,628 <u>3.29%</u>	\$ 7,711,358 <u>3.29%</u>	\$ - <u>20%</u>	\$ - <u>20%</u>	
Annual Credits Ten Year	270,919 <u>10</u>	253,704 <u>10</u>			524,623
Total Credits LP Ownership	\$ 2,709,193 <u>99.99%</u>	\$ 2,537,037 <u>99.99%</u>	\$ - <u>99.99%</u>	\$ - <u>99.99%</u>	\$ 5,246,229
Price per Credit	\$ 2,708,922 <u>0.93</u>	\$ 2,536,783 <u>0.93</u>	\$ - <u>0.00</u>	\$ - <u>0.00</u>	
Total Equity	<u>\$ 2,519,792</u>	<u>\$ 2,359,208</u>	<u>\$ -</u>	<u>\$ -</u>	
Price per State Credit	<u>0.00</u>	<u>0.00</u>			
Total State Equity	<u>\$ -</u>	<u>\$ -</u>			

Capital Influx		State	Federal
Admission	8/1/2018	\$ -	\$ 487,900
50% Completion	4/1/2019	-	975,800
75% Completion	7/1/2019	-	975,800
Completion	8/1/2019	-	975,800
Stabilization	1/1/2020	-	731,850
Tax Return/8609	4/1/2020	-	731,850
		<u>\$ -</u>	<u>\$ 4,879,000</u>
Developer Fee			
\$ 1,741,999	\$ 488,597	28.05%	Admission
\$ (0)	121,103	6.95%	50% Completion
\$ 1,741,999	261,300	15.00%	100% Completion
	138,155	7.93%	Stabilization
	<u>732,844</u>	<u>42.07%</u>	<u>TR/8609</u>
	\$ 1,741,999	100.00%	

**Hope Preservation LP
Estimated Project Lease Up**

	Number of Units Under Construction	Monthly Units Leased	% of Units Complete
Aug-18	-	100	100.00%
Sep-18	-	-	100.00%
Oct-18	-	-	100.00%
Nov-18	-	-	100.00%
Dec-18	-	-	100.00%
Jan-19	-	-	100.00%
Feb-19	-	-	100.00%
Mar-19	-	-	100.00%
Apr-19	-	-	100.00%
May-19	-	-	100.00%
Jun-19	-	-	100.00%
Jul-19	-	-	100.00%
Aug-19	-	-	100.00%
Sep-19	-	-	100.00%
Oct-19	-	-	100.00%
Nov-19	-	-	100.00%
Dec-19	-	-	100.00%
Jan-20	-	-	100.00%
Feb-20	-	-	100.00%
Mar-20	-	-	100.00%
Apr-20	-	-	100.00%
May-20	-	-	100.00%
Jun-20	-	-	100.00%
Jul-20	-	-	100.00%
Aug-20	-	-	100.00%
Sep-20	-	-	100.00%
Oct-20	-	-	100.00%
Nov-20	-	-	100.00%
Dec-20	-	-	100.00%
Jan-21	-	-	100.00%
Feb-21	-	-	100.00%
Mar-21	-	-	100.00%
Apr-21	-	-	100.00%
May-21	-	-	100.00%
Jun-21	-	-	100.00%
Jul-21	-	-	100.00%
Aug-21	-	-	100.00%
Sep-21	-	-	100.00%
Oct-21	-	-	100.00%
Nov-21	-	-	100.00%
Dec-21	-	-	100.00%
Jan-22	-	-	100.00%
Feb-22	-	-	100.00%
Mar-22	-	-	100.00%
Apr-22	-	-	100.00%
May-22	-	-	100.00%
Jun-22	-	-	100.00%
Jul-22	-	-	100.00%

**Hope Preservation LP
Estimated 1st Year Credits**

Phase in of Units

1st Yr Credits	\$ 524,623	100.00%	Assume no credits until year lease up is complete?	No
2nd Yr Credits	\$ 524,623	100.00%	Number of units under construction	100
3rd Yr Credits	\$ 524,623	100.00%		

	Number of Units Under Construction	Monthly Units Completed	% of Units Complete	Monthly Units Occupied	Monthly Units Qualified	Cumulative # Units Occupied	Cumulative # Units Qualified	Override?		Applicable Fraction	Tax Credits \$ 524,623
								% of Units Leased	Override Fraction		
Aug-18	100	100	100.00%	100	100	100	100	100.00%	0.00%	100.00%	-
Sep-18	100		100.00%	-		100	100	100.00%	0.00%	100.00%	-
Oct-18	100		100.00%	-		100	100	100.00%	0.00%	100.00%	-
Nov-18	100		100.00%	-		100	100	100.00%	0.00%	100.00%	-
Dec-18	100		100.00%	-		100	100	100.00%	0.00%	100.00%	-
Jan-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Feb-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Mar-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Apr-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
May-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Jun-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Jul-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Aug-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Sep-19	100		100.00%	-		100	100	100.00%	0.00%	100.00%	43,719
Oct-19	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Nov-19	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Dec-19	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jan-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Feb-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Mar-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Apr-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
May-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jun-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jul-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Aug-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Sep-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Oct-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Nov-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Dec-20	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jan-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Feb-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Mar-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Apr-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
May-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jun-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jul-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Aug-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Sep-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Oct-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Nov-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Dec-21	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jan-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Feb-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Mar-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Apr-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
May-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jun-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
Jul-22	100		100.00%	-	-	100	100	100.00%	0.00%	100.00%	43,719
		<u>100</u>		<u>100</u>	<u>100</u>						

**Hope Preservation LP
Revenue Detail - Asset Management**

*Column shows N/A if all units are not leased up during the entire year

	Div/Unit Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	
Unit Type 1:	1BR																					
Number of Units	N/A	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rent per Unit	N/A	1,085	1,107	1,129	1,151	1,174	1,198	1,222	1,246	1,271	1,297	1,323	1,349	1,376	1,404	1,432	1,460	1,489	1,519	1,550	1,581	
Potential Rental Income		156,240	159,365	162,552	165,803	169,119	172,502	175,952	179,471	183,060	186,721	190,456	194,265	198,150	202,113	206,155	210,278	214,484	218,774	223,149	227,612	
Unit Type 2:	2BR																					
Number of Units	N/A	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Rent per Unit	N/A	1,320	1,346	1,373	1,401	1,429	1,457	1,487	1,516	1,547	1,578	1,609	1,641	1,674	1,708	1,742	1,777	1,812	1,848	1,885	1,923	
Potential Rental Income		855,360	872,467	889,917	907,715	925,869	944,387	963,274	982,540	1,002,191	1,022,234	1,042,679	1,063,533	1,084,803	1,106,499	1,128,629	1,151,202	1,174,226	1,197,711	1,221,665	1,246,098	
Unit Type 3:	3BR																					
Number of Units	N/A	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Rent per Unit	N/A	1,460	1,489	1,519	1,549	1,580	1,612	1,644	1,677	1,711	1,745	1,780	1,815	1,852	1,889	1,926	1,965	2,004	2,044	2,085	2,127	
Potential Rental Income		595,680	607,594	619,745	632,140	644,783	657,679	670,832	684,249	697,934	711,893	726,131	740,653	755,466	770,576	785,987	801,707	817,741	834,096	850,778	867,793	

**Hope Preservation LP
Revenue Detail - Asset Management**

*Column shows N/A if all units are not leased up during the entire year

Dvlpmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	
TOTAL:																					
Potential Rental Income	-	1,607,280	1,639,426	1,672,214	1,705,658	1,739,772	1,774,567	1,810,058	1,846,259	1,883,185	1,920,848	1,959,265	1,998,451	2,038,420	2,079,188	2,120,772	2,163,187	2,206,451	2,250,580	2,295,592	2,341,503
Vacancy %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy	-	80,364	81,971	83,611	85,283	86,989	88,728	90,503	92,313	94,159	96,042	97,963	99,923	101,921	103,959	106,039	108,159	110,323	112,529	114,780	117,075
Effective Income	-	1,526,916	1,557,454	1,588,603	1,620,375	1,652,783	1,685,839	1,719,555	1,753,947	1,789,025	1,824,806	1,861,302	1,898,528	1,936,499	1,975,229	2,014,733	2,055,028	2,096,128	2,138,051	2,180,812	2,224,428
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	7,284	7,430
Potential Commercial Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Commercial Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Hope Preservation LP
Revenue Detail - Asset Management**

	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048	Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053	Year 36 2054	Year 37 2055	Year 38 2056	Year 39 2057	Year 40 2058
Unit Type 1:	1BR																			
Number of Units	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rent per Unit	1,612	1,644	1,677	1,711	1,745	1,780	1,816	1,852	1,889	1,927	1,965	2,005	2,045	2,086	2,127	2,170	2,213	2,258	2,303	2,349
Potential Rental Income	232,164	236,808	241,544	246,375	251,302	256,328	261,455	266,684	272,018	277,458	283,007	288,667	294,441	300,329	306,336	312,463	318,712	325,086	331,588	338,220
Unit Type 2:	2BR																			
Number of Units	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Rent per Unit	1,961	2,001	2,041	2,082	2,123	2,166	2,209	2,253	2,298	2,344	2,391	2,439	2,488	2,537	2,588	2,640	2,693	2,747	2,801	2,857
Potential Rental Income	1,271,020	1,296,440	1,322,369	1,348,817	1,375,793	1,403,309	1,431,375	1,460,002	1,489,202	1,518,987	1,549,366	1,580,354	1,611,961	1,644,200	1,677,084	1,710,626	1,744,838	1,779,735	1,815,329	1,851,636
Unit Type 3:	3BR																			
Number of Units	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Rent per Unit	2,169	2,213	2,257	2,302	2,348	2,395	2,443	2,492	2,542	2,593	2,645	2,697	2,751	2,806	2,863	2,920	2,978	3,038	3,099	3,161
Potential Rental Income	885,149	902,852	920,909	939,327	958,114	977,276	996,822	1,016,758	1,037,093	1,057,835	1,078,992	1,100,572	1,122,583	1,145,035	1,167,935	1,191,294	1,215,120	1,239,422	1,264,211	1,289,495

**Hope Preservation LP
Revenue Detail - Asset Management**

	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048	Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053	Year 36 2054	Year 37 2055	Year 38 2056	Year 39 2057	Year 40 2058	
TOTAL:																					
Potential Rental Income	2,388,334	2,436,100	2,484,822	2,534,519	2,585,209	2,636,913	2,689,651	2,743,444	2,798,313	2,854,280	2,911,365	2,969,593	3,028,984	3,089,564	3,151,355	3,214,382	3,278,670	3,344,244	3,411,128	3,479,351	
Vacancy %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Vacancy	119,417	121,805	124,241	126,726	129,260	131,846	134,483	137,172	139,916	142,714	145,568	148,480	151,449	154,478	157,568	160,719	163,934	167,212	170,556	173,968	
Effective Income	2,268,917	2,314,295	2,360,581	2,407,793	2,455,949	2,505,068	2,555,169	2,606,272	2,658,398	2,711,566	2,765,797	2,821,113	2,877,535	2,935,086	2,993,788	3,053,663	3,114,737	3,177,031	3,240,572	3,305,383	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Income - Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	7,578	7,730	7,884	8,042	8,203	8,367	8,534	8,705	8,879	9,057	9,238	9,423	9,611	9,803	9,999	10,199	10,403	10,611	10,824	11,040	
Potential Commercial Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vacancy%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effective Commercial Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**Hope Preservation LP
Schedule of Depreciation & Amortization**

DEPRECIATION				Disjmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041			
Site Work	20	MY	3	\$ 382,651	\$ -	\$ 9,566	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 19,133	\$ 9,566	\$ -	\$ -	
Replacement Reserve Withdrawals	Various	MY	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Furnishings, Equip & Appliances	7	MY	3	\$ 233,121	\$ -	\$ 233,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Building 1	30	MM	1	\$ 15,227,386	\$ -	\$ 467,396	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580
TOTAL				\$ 15,843,158	\$ -	\$ 710,083	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 526,712	\$ 517,146	\$ 507,580	\$ 507,580	
CUMULATIVE DEPRECIATION					\$ -	\$ 710,083	\$ 1,236,795	\$ 1,763,508	\$ 2,290,220	\$ 2,816,932	\$ 3,343,644	\$ 3,870,356	\$ 4,397,068	\$ 4,923,780	\$ 5,450,492	\$ 5,977,204	\$ 6,503,916	\$ 7,030,628	\$ 7,557,340	\$ 8,084,052	\$ 8,610,765	\$ 9,137,477	\$ 9,664,189	\$ 10,190,901	\$ 10,717,613	\$ 11,234,759	\$ 11,742,338	\$ 12,249,918		
AMORTIZATION				Disjmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041			
Other: Developer Legal	0			\$ 135,000																										
Other: Capitalized IE taxes + ins	0			\$ 46,700																										
Other: Capitalized perm interest	15			\$ 336,000	\$ 22,400	\$ 9,333	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 22,400	\$ 13,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL				\$ 630,867	\$ 24,339	\$ 10,141	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 24,339	\$ 15,006	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939		

Hope Preservation LP
Schedule of Depreciation & Amortization

				Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
				2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058
DEPRECIATION																				
	Life	Convention	Period																	
Site Work	20	MY	3	\$ 382,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve Withdrawals	Various	MY	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furnishings, Equip & Appliances	5	MY	3	\$ 233,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furnishings, Equip & Appliances	7	MY	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building 1	30	MM	1	\$ 15,227,386	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 40,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL				\$ 15,843,158	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 507,580	\$ 40,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CUMULATIVE DEPRECIATION				\$ 12,757,497	\$ 13,265,077	\$ 13,772,656	\$ 14,280,236	\$ 14,787,815	\$ 15,295,395	\$ 15,802,974	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158	\$ 15,843,158
AMORTIZATION																				
Other- Developer Legal	0			\$ 135,000																
Other- Capitalized TE taxes + ins	0			\$ 46,700																
Other- Capitalized perm interest	15			\$ 336,000																
TOTAL				\$ 630,867	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,939	\$ 1,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Beg. Balance	Interest Rate	Start Date	Annual Fee	Escalator	Hope Preservation LP Cash Flow Statement																
Misc Soft Debt 1						Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
Misc Soft Debt 2						2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058
Misc Soft Debt 3																						
Misc Soft Debt 4																						
Misc Fee 1																						
Misc Fee 2																						
Number of Steps	10																					
Net Operating Income (Cash from Operations)						\$1,533,340	\$1,555,938	\$1,578,746	\$1,601,760	\$1,624,978	\$1,648,396	\$1,672,010	\$1,695,816	\$1,719,808	\$1,743,983	\$1,768,334	\$1,792,857	\$1,817,545	\$1,842,392	\$1,867,390	\$1,892,533	\$1,917,813
Cash Used as Construction Source						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Available						1,533,340	1,555,938	1,578,746	1,601,760	1,624,978	1,648,396	1,672,010	1,695,816	1,719,808	1,743,983	1,768,334	1,792,857	1,817,545	1,842,392	1,867,390	1,892,533	1,917,813
Cash Flow Requirements:																						
Working Capital Reserve						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve						30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Cash Flow Available for Debt Service						1,503,340	1,525,938	1,548,746	1,571,760	1,594,978	1,618,396	1,642,010	1,665,816	1,689,808	1,713,983	1,738,334	1,762,857	1,787,545	1,812,392	1,837,390	1,862,533	1,887,813
Debt Service Requirements (Principal & Interest):																						
Freddie TEL						775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555
Loan 2						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 3						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 4						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 5						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 6						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan 7						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service						775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555
Cash Flow After Debt Service						727,785	750,383	773,191	796,206	819,424	842,842	866,456	890,261	914,254	938,428	962,780	987,302	1,011,990	1,036,837	1,061,842	1,087,007	1,112,342
Cash Flow After Debt Service						727,785	750,383	773,191	796,206	819,424	842,842	866,456	890,261	914,254	938,428	962,780	987,302	1,011,990	1,036,837	1,061,842	1,087,007	1,112,342
Cash Flow Increases:																						
Negative Cash Flow Loans						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Negative Cash Flow Loans						727,785	750,383	773,191	796,206	819,424	842,842	866,456	890,261	914,254	938,428	962,780	987,302	1,011,990	1,036,837	1,061,842	1,087,007	1,112,342
Voluntary Partner Loans						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Partner Loans						727,785	750,383	773,191	796,206	819,424	842,842	866,456	890,261	914,254	938,428	962,780	987,302	1,011,990	1,036,837	1,061,842	1,087,007	1,112,342
Cash Flow Decreases:																						
Cashflow Item One:																						
Voluntary Partner Loan Repayment						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment GP						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment LP						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Voluntary Partner Loan Repayment						727,785	750,383	773,191	796,206	819,424	842,842	866,456	890,261	914,254	938,428	962,780	987,302	1,011,990	1,036,837	1,061,842	1,087,007	1,112,342
Asset Management Fee						9,868	10,164	10,469	10,783	11,106	11,440	11,783	12,136	12,500	12,875	13,262	13,660	14,069	14,491	14,926	15,374	15,835
Cash Flow After Asset Management Fee						717,917	740,219	762,722	785,423	808,317	831,402	854,673	878,125	901,753	925,553	949,518	973,642	997,931	1,022,391	1,047,017	1,071,811	1,096,877
Cashflow Item Two:																						
Deferred Developer Fee						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DDF Principal						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%
Cash Flow After Developer's Note						717,917	740,219	762,722	785,423	808,317	831,402	854,673	878,125	901,753	925,553	949,518	973,642	997,931	1,022,391	1,047,017	1,071,811	1,096,877
Cash Flow after Item Tax:						717,917	740,219	762,722	785,423	808,317	831,402	854,673	878,125	901,753	925,553	949,518	973,642	997,931	1,022,391	1,047,017	1,071,811	1,096,877
Cash Flow Distributions:																						
GP (1)	90.00%					646,125	666,197	686,450	706,881	727,485	748,262	769,206	790,313	811,578	832,998	854,566	876,287	898,163	920,194	942,381	964,724	987,224
LP (1)	10.00%					71,792	74,022	76,272	78,542	80,832	83,140	85,467	87,813	90,175	92,555	94,952	97,369	99,802	102,251	104,715	107,194	109,698
SLP	0.00%					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow Distribution						717,917	740,219	762,722	785,423	808,317	831,402	854,673	878,125	901,753	925,553	949,518	973,642	997,931	1,022,391	1,047,017	1,071,811	1,096,877
Debt Service Coverage Ratio - Freddie TEL						1.94	1.97	2.00	2.03	2.06	2.09	2.12	2.15	2.18	2.21	2.24	2.27	2.30	2.33	2.36	2.39	2.42
Total Debt Service Coverage Ratio						1.94	1.97	2.00	2.03	2.06	2.09	2.12	2.15	2.18	2.21	2.24	2.27	2.30	2.33	2.36	2.39	2.42

**Hope Preservation LP
Schedule of Debt Service**

Dvlpmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038		
Freddie TEL																						
Amortization Term (years)	35																					
Loan Term (years)	16																					
Principal	\$ 13,345,000	\$ -	\$ 158,084	\$ 165,626	\$ 173,529	\$ 181,808	\$ 190,483	\$ 199,571	\$ 209,093	\$ 219,070	\$ 229,522	\$ 240,473	\$ 251,947	\$ 263,968	\$ 276,562	\$ 289,758	\$ 303,583	\$ 318,068	\$ 333,243	\$ 349,143	\$ 365,802	\$ 383,255
Interest	-	617,471	609,928	602,026	593,746	585,072	575,983	566,461	556,485	546,033	535,081	523,608	511,587	498,992	485,797	471,972	457,487	442,311	426,411	409,753	392,299	
TOTAL PAYMENTS	-	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	
MORTGAGE BALANCE	\$ 13,345,000	\$ 13,186,916	\$ 13,021,290	\$ 12,847,762	\$ 12,665,954	\$ 12,475,471	\$ 12,275,900	\$ 12,066,807	\$ 11,847,737	\$ 11,618,215	\$ 11,377,742	\$ 11,125,796	\$ 10,861,828	\$ 10,585,266	\$ 10,295,508	\$ 9,991,925	\$ 9,673,858	\$ 9,340,614	\$ 8,991,471	\$ 8,625,669	\$ 8,242,413	
Deferred Developer Fee																						
DDF Principal	\$ 0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NOTE BALANCE	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
All Notes/Mortgages																						
Principal	158,084	165,626	173,529	181,808	190,483	199,571	209,093	219,070	229,522	240,473	251,947	263,968	276,562	289,758	303,583	318,068	333,243	349,143	365,802	383,255		
Interest	617,471	609,928	602,026	593,746	585,072	575,983	566,461	556,485	546,033	535,081	523,608	511,587	498,992	485,797	471,972	457,487	442,311	426,411	409,753	392,299		
TOTAL DEBT SERVICE	\$ -	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	

**Hope Preservation LP
Schedule of Debt Service**

	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048	Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053	Year 36 2054	Year 37 2055	Year 38 2056	Year 39 2057	Year 40 2058
<u>Freddie TEL</u>																				
Amortization Term (years)	35																			
Loan Term (years)	16																			
Principal	\$ 13,345,000	\$ 401,541	\$ 420,700	\$ 440,773	\$ 461,803	\$ 483,837	\$ 506,922	\$ 531,109	\$ 556,450	\$ 582,999	\$ 610,816	\$ 639,959	\$ 670,493	\$ 702,484	\$ 736,002	\$ 445,446	\$ -	\$ -	\$ -	\$ -
Interest		374,013	354,854	334,782	313,751	291,717	268,632	244,446	219,105	192,555	164,739	135,595	105,061	73,070	39,553	6,961	-	-	-	-
TOTAL PAYMENTS		775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	775,555	452,407	-	-	-	-
MORTGAGE BALANCE		\$ 7,840,872	\$ 7,420,172	\$ 6,979,399	\$ 6,517,596	\$ 6,033,758	\$ 5,526,836	\$ 4,995,727	\$ 4,439,278	\$ 3,856,279	\$ 3,245,463	\$ 2,605,504	\$ 1,935,010	\$ 1,232,526	\$ 496,524	\$ 51,078	\$ 51,078	\$ 51,078	\$ 51,078	\$ 51,078
<u>Deferred Developer Fee</u>																				
DDF Principal	\$ 0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOTE BALANCE		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>All Notes/Mortgages</u>																				
Principal		401,541	420,700	440,773	461,803	483,837	506,922	531,109	556,450	582,999	610,816	639,959	670,493	702,484	736,002	445,446	-	-	-	-
Interest		374,013	354,854	334,782	313,751	291,717	268,632	244,446	219,105	192,555	164,739	135,595	105,061	73,070	39,553	6,961	-	-	-	-
TOTAL DEBT SERVICE		\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 775,555	\$ 452,407	\$ -	\$ -	\$ -	\$ -

**Hope Preservation LP
Allocation of Net Income (Loss)**

Dvlpmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	
Partnership Net Income (Loss) to be Allocated	\$ -	\$ (279,735)	\$ (73,487)	\$ (48,097)	\$ (22,109)	\$ 4,497	\$ 31,740	\$ 59,640	\$ 88,218	\$ 117,496	\$ 147,496	\$ 178,243	\$ 209,760	\$ 242,074	\$ 275,211	\$ 318,534	\$ 366,470	\$ 402,250
Depreciation & Amortization																		
GP (1) Hope Preservation GP LLC 0.010%	-	(72)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(54)	(53)	(53)
LP (1) STCC Hope Preservation LL 99.990%	-	(720,153)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(550,996)	(541,663)	(528,598)	(528,598)
SLP CDC Special Limited Partner 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Depreciation Allocation	-	(720,225)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(551,051)	(541,718)	(528,651)	(528,651)
Partnership Net Income (Loss) to be Allocated	-	440,490	477,564	502,954	528,942	555,548	582,791	610,691	639,269	668,547	698,547	729,294	760,811	793,125	826,262	860,251	895,121	930,901
Special Allocation of Losses (Negative Cash Flow Loans):																		
GP (1) Hope Preservation GP LLC 100.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP (2) 0 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP (1) STCC Hope Preservation LL 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP (2) N/A 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP (3) N/A 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLP CDC Special Limited Partner 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add1 (1) N/A 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add1 (2) N/A 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add1 (3) N/A 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)																		
GP (1) Hope Preservation GP LLC 0.010%	-	44	48	50	53	56	58	61	64	67	70	73	76	79	83	86	90	93
GP (2) 0 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP (1) STCC Hope Preservation LL 99.990%	-	440,446	477,516	502,903	528,889	555,493	582,733	610,630	639,205	668,480	698,477	729,221	760,735	793,046	826,180	860,165	895,031	930,808
SLP CDC Special Limited Partner 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Income (Loss) Allocation	-	440,490	477,564	502,954	528,942	555,548	582,791	610,691	639,269	668,547	698,547	729,294	760,811	793,125	826,262	860,251	895,121	930,901
Total Partnership Allocation:																		
GP (1) Hope Preservation GP LLC	-	(28)	(7)	(5)	(2)	0	3	6	9	12	15	18	21	24	28	32	32	32
LP (1) STCC Hope Preservation LLC	-	(279,707)	(73,480)	(48,093)	(22,107)	4,497	31,737	59,634	88,209	117,484	147,481	178,225	209,739	242,050	275,184	318,502	366,433	402,210
SLP CDC Special Limited Partner, L.L.C.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	(279,735)	(73,487)	(48,097)	(22,109)	4,497	31,740	59,640	88,218	117,496	147,496	178,243	209,760	242,074	275,211	318,534	366,465	402,242
Cumulative	\$ -	\$ (279,735)	\$ (353,222)	\$ (401,319)	\$ (423,428)	\$ (418,931)	\$ (387,190)	\$ (327,550)	\$ (239,332)	\$ (121,836)	\$ 25,660	\$ 203,903	\$ 413,663	\$ 655,737	\$ 930,948	\$ 1,249,481	\$ 1,615,946	\$ 2,018,188

**Hope Preservation LP
704(b) Calculations**

MINIMUM GAIN CALCULATION

YEAR	Original Net Assets	Accumulated Replacement Reserves	Accumulated Depreciation	Net Assets	Non-Recourse Liabilities	Minimum Gain	Change in Min. Gain
Dvlpmt Period	\$ 17,043,158	\$ -	\$ -	\$ 17,043,158	\$ -	\$ -	\$ -
2018	17,043,158	30,000	-	17,073,158	13,293,922	-	-
2019	17,043,158	60,000	710,083	16,393,074	13,135,838	-	-
2020	17,043,158	90,000	1,236,795	15,896,362	12,970,212	-	-
2021	17,043,158	120,000	1,763,508	15,399,650	12,796,684	-	-
2022	17,043,158	150,000	2,290,220	14,902,938	12,614,875	-	-
2023	17,043,158	180,000	2,816,932	14,406,226	12,424,393	-	-
2024	17,043,158	210,000	3,343,644	13,909,514	12,224,822	-	-
2025	17,043,158	240,000	3,870,356	13,412,802	12,015,729	-	-
2026	17,043,158	270,000	4,397,068	12,916,090	11,796,659	-	-
2027	17,043,158	300,000	4,923,780	12,419,378	11,567,137	-	-
2028	17,043,158	330,000	5,450,492	11,922,666	11,326,664	-	-
2029	17,043,158	360,000	5,977,204	11,425,954	11,074,718	-	-
2030	17,043,158	390,000	6,503,916	10,929,242	10,810,750	-	-
2031	17,043,158	420,000	7,030,628	10,432,529	10,534,188	101,658	101,658
2032	17,043,158	450,000	7,557,340	9,935,817	10,244,430	308,612	206,954
2033	17,043,158	480,000	8,084,052	9,439,105	9,940,847	501,742	193,129
2034	17,043,158	510,000	8,610,765	8,942,393	9,622,779	680,386	178,644

**Hope Preservation LP
704(b) Calculations**

ALLOCATION OF NET ASSETS						
YEAR	Freddie TEL			Other Debt		
	Net Assets	Loan Balance	Minimum Gain	Net Assets	Loan Balance	Minimum Gain
Dvlpmt						
Period	\$ -	\$ -	\$ -	\$17,043,158	\$ -	\$ -
2018	13,293,922	13,293,922	-	3,779,236	-	-
2019	13,135,838	13,135,838	-	3,257,236	-	-
2020	12,970,212	12,970,212	-	2,926,150	-	-
2021	12,796,684	12,796,684	-	2,602,967	-	-
2022	12,614,875	12,614,875	-	2,288,063	-	-
2023	12,424,393	12,424,393	-	1,981,833	-	-
2024	12,224,822	12,224,822	-	1,684,692	-	-
2025	12,015,729	12,015,729	-	1,397,073	-	-
2026	11,796,659	11,796,659	-	1,119,431	-	-
2027	11,567,137	11,567,137	-	852,241	-	-
2028	11,326,664	11,326,664	-	596,002	-	-
2029	11,074,718	11,074,718	-	351,236	-	-
2030	10,810,750	10,810,750	-	118,492	-	-
2031	10,432,529	10,534,188	101,659	(101,658)	-	(0)
2032	9,935,817	10,244,430	308,613	(308,612)	-	(0)
2033	9,439,105	9,940,847	501,742	(501,742)	-	(0)
2034	8,942,393	9,622,779	680,386	(680,386)	-	(0)

**Hope Preservation LP
704(b) Calculations**

POTENTIAL LOSS REALLOCATION DUE TO 704(b)										
YEAR	Capital Contribution	Historic Credits	Cash Distributions	Capital Account End of Year	Potential L.P. Losses	Carryover Minimum Gain	Maximum Loss Allocation	Losses Allocated to L.P.	Reallocation to G.P.	
Dvlpmt Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	487,900	-	25,241	462,659	-	-	462,659	-	-	-
2019	2,927,400	-	28,194	3,082,159	(279,707)	462,659	3,361,866	(279,707)	-	-
2020	1,463,700	-	29,943	4,442,437	(73,480)	3,082,159	4,515,917	(73,480)	-	-
2021	-	-	31,713	4,362,631	(48,093)	4,442,437	4,410,724	(48,093)	-	-
2022	-	-	33,507	4,307,018	(22,107)	4,362,631	4,329,124	(22,107)	-	-
2023	-	-	35,322	4,276,193	4,497	4,307,018	4,271,696	4,497	-	-
2024	-	-	37,160	4,270,770	31,737	4,276,193	4,239,033	31,737	-	-
2025	-	-	39,020	4,291,384	59,634	4,270,770	4,231,750	59,634	-	-
2026	-	-	40,903	4,338,691	88,209	4,291,384	4,250,482	88,209	-	-
2027	-	-	42,807	4,413,368	117,484	4,338,691	4,295,884	117,484	-	-
2028	-	-	44,735	4,516,115	147,481	4,413,368	4,368,633	147,481	-	-
2029	-	-	46,684	4,647,655	178,225	4,516,115	4,469,430	178,225	-	-
2030	-	-	48,656	4,808,738	209,739	4,647,655	4,598,999	209,739	-	-
2031	-	-	50,651	5,000,137	242,050	4,808,738	4,758,087	242,050	-	-
2032	-	-	52,667	5,222,654	275,184	5,101,785	5,049,118	275,184	-	-
2033	-	-	54,705	5,486,450	318,502	5,531,236	5,476,530	318,502	-	-
2034	-	-	56,766	5,796,118	366,433	5,988,142	5,931,376	366,433	-	-
	<u>\$ 4,879,000</u>	<u>\$ -</u>	<u>\$ 698,672</u>		<u>\$ 1,615,789</u>		<u>\$ 73,021,309</u>	<u>\$ 1,615,789</u>		<u>\$ -</u>

* It is anticipated that because of the unconditional obligation of the investors to pay their equity in yearly installments, the first year's losses would be covered and would not cause a reallocation problem. This can be solved by discounting all the payments and spreading them over the time period when losses are first received.

Heritage Acres Apartments

Suffolk, VA

Heritage Acres Preservation LP
 EIN: 82-3508766
 Tax Year Ending December 31, 2019
 Form 8609, Part II, Line 8(b) Statement

Name of Project: Heritage Acres Apartments
Project Address: 1015 Nansemond Parkway, Buildings 100-900
 Suffolk, VA 23434

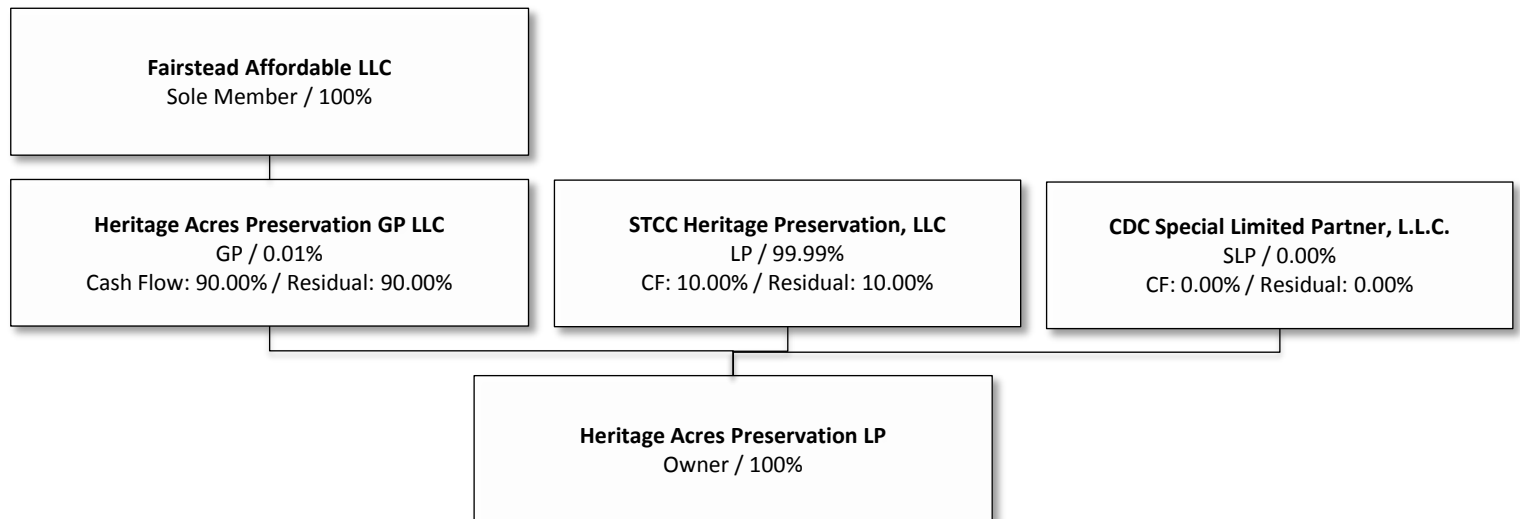
First Year of Credits	Building Addresses	BIN Number	Existing Building Credit	Rehab. Expenditures Credit	Total Credit Per Building
2019	1015 Nansemond Parkway, Building 100, Suffolk, VA 23434	VA-18-40001	\$ 20,618	\$ 20,378	\$ 40,996
2019	1015 Nansemond Parkway, Building 200, Suffolk, VA 23434	VA-18-40002	\$ 21,204	\$ 20,961	\$ 42,165
2019	1015 Nansemond Parkway, Building 300, Suffolk, VA 23434	VA-18-40003	\$ 20,615	\$ 20,378	\$ 40,993
2019	1015 Nansemond Parkway, Building 400, Suffolk, VA 23434	VA-18-40004	\$ 18,848	\$ 18,632	\$ 37,480
2019	1015 Nansemond Parkway, Building 500, Suffolk, VA 23434	VA-18-40005	\$ 24,739	\$ 24,454	\$ 49,193
2019	1015 Nansemond Parkway, Building 600, Suffolk, VA 23434	VA-18-40006	\$ 18,848	\$ 18,632	\$ 37,480
2019	1015 Nansemond Parkway, Building 700, Suffolk, VA 23434	VA-18-40007	\$ 18,848	\$ 18,632	\$ 37,480
2019	1015 Nansemond Parkway, Building 800, Suffolk, VA 23434	VA-18-40008	\$ 18,848	\$ 18,632	\$ 37,480
2019	1015 Nansemond Parkway, Building 900, Suffolk, VA 23434	VA-18-40009	\$ 18,848	\$ 18,632	\$ 37,480
Total Aggregate Credit Amount for Project			\$ 181,416	\$ 179,331	\$ 360,747

Heritage Acres Apartments

Suffolk, VA

Organizational Chart

Property Owner – Tax Credit



Heritage Acres Apartments

Suffolk, VA

Limited Partnership Agreement

HERITAGE ACRES PRESERVATION LP

**SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP**

Dated as of August 17, 2018

HERITAGE ACRES PRESERVATION LP

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Schedule A - List of Partners and Capital Contributions

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Exhibit 2	-	Second Installment Payment Certificate
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Exhibit 7	-	Insurance Requirements
Exhibit 8	-	Investment Assumptions

HERITAGE ACRES PRESERVATION LP

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is entered into effective as of August 17, 2018 by and among **HERITAGE ACRES PRESERVATION GP LLC**, a Delaware limited liability company (the “General Partner”), **FA ACQUISITIONS LLC**, a Delaware limited liability company (the “Original Limited Partner”), **STCC HERITAGE ACRES PRESERVATION LLC**, a Georgia limited liability company (the “Investor Limited Partner”) and **CDC SPECIAL LIMITED PARTNER, L.L.C.**, a Georgia limited liability company (the “Special Limited Partner”). Capitalized terms used and not otherwise defined in this Agreement have the respective meanings specified in Article I.

BACKGROUND STATEMENT

The Partnership was organized as a limited partnership under the Uniform Act pursuant to a Limited Partnership Agreement dated as of December 8, 2017, which was amended by that certain Amended and Restated Limited Partnership Agreement dated as of March 12, 2018 (as amended, the “Existing Partnership Agreement”) and Certificate of Limited Partnership filed with the Secretary of State for the State of Delaware (the “Filing Office”) on November 20, 2017 (the “Certificate”).

The purposes of this amendment to, and restatement of, the Existing Partnership Agreement are to (i) admit the Investor Limited Partner and Special Limited Partner as Limited Partners, (ii) provide for the withdrawal of the Original Limited Partner, and (iii) set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, it is agreed, and the Existing Partnership Agreement is hereby amended and restated in its entirety, as follows:

ARTICLE I

DEFINED TERMS

The defined terms used in this Agreement shall have the meanings specified below:

“Accountants” means Dauby O’Connor & Zaleski, Berdon LLP, or such other firm of certified public accountants experienced in tax and book reporting for low income housing projects as may be selected annually by the General Partners subject to the approval of the Investor Limited Partner.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of a Partnership taxable year (or at such other time as shall be required pursuant to the terms of this Agreement) after giving effect to the following adjustments:

- (i) Such Capital Account shall be increased by the amount of any Deficit Restoration Obligation of such Partner.

(ii) Such Capital Account shall be decreased by the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Allocation Regulations.

The foregoing definition of Adjusted Capital Account Deficit and the application of such term in the manner provided in Section 10.4C hereof is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Allocation Regulations and shall be interpreted consistently therewith.

“Adjustment Fraction” means a fraction separately determined as to each fiscal year, the numerator of which shall be the Consumer Price Index most recently published before the end of such fiscal year, and the denominator of which shall be the Consumer Price Index most recently published prior to the Admission Date.

“Admission Date” means the date on which the Investor Limited Partner is admitted to the Partnership as the Investor Limited Partner pursuant to Section 13.8.

“Affiliate” means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; or (iii) any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

“After-Tax Basis” means, with respect to any payment to be received by a Person, the amount of such payment plus a further payment that equals the sum of all taxes imposed currently on such Person (or, in the case of a pass-through entity, the partners or members of such Person) with respect to such payment assuming, for this purpose, the highest combined marginal federal and state income tax rate applicable to corporations at such time.

“Agency” means, as applicable, the Credit Authority, HUD, the City, and/or any other government agency or municipality having jurisdiction over the particular matter to which reference is being made.

“Agreement” means this Second Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time. In the event that the Allocation Regulations are revised or amended subsequent to the date of this Agreement, references herein to sections or paragraphs of the Allocation Regulations shall be deemed to be references to the applicable sections or paragraphs of the Allocation Regulations as then in effect.

“Amortization Commencement Date” means the first date on which the amount of the permanent portion of the Tax-Exempt Loan has been determined and payments of principal and interest are required to be made with respect to the Tax-Exempt Loan.

“Annual Credit” means the amount of Federal Low Income Housing Tax Credits allowable to the Partnership each year of the Credit Period as determined by the Accountants from time to time and/or as adjusted pursuant to a Final Determination.

“Anti-Corruption Laws” means all laws, rules, statutes, codes and regulations of any governmental entity or Agency applicable to the General Partner, its Affiliates or the Partnership 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 purposes 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.

“Asset Management Fee” means the annual fee payable by the Partnership to the Investor Limited Partner for its asset management services to the Partnership as described in Section 6.9C.

“Assignment” or “assignment” shall mean any assignment, transfer or sale, and the words assign, assignee and assignor shall have correlative meanings, except in each case where the sense of this Agreement requires a different construction.

“Bank” means SunTrust Bank, a Georgia banking corporation.

“Builder” means Breeden Construction, or any other contractor duly licensed in the Project State that may be engaged by the General Partner as the general contractor for the Project with the reasonable Consent of the Investor Limited Partner.

“Buildings” means the nine (9) residential buildings and one (1) accessory building located on the Land which contains a total of seventy-six (76) dwelling units and other amenities appurtenant to the dwelling units.

“Capital Account” means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner, consisting of (i) the amount of cash such Partner has contributed to the Partnership *plus* (ii) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject *plus* (iii) the amount of profits and tax-exempt income allocated to such Partner *less* (iv) the amount of losses allocated to such Partner *less* (v) the amount of all cash distributed to such Partner *less* (vi) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject *less* (vii) such Partner’s share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and subject to such other adjustments as may be required under the Code.

“Capital Contribution” means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as provided in this Agreement. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner. The term “Capital Contribution” shall include any Special Capital Contribution.

“Capital Replacement Reserve” means the reserve account described in Section 6.10A.

“Capital Transaction” means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or any substantial portion of the assets of the Partnership (including condemnation or casualty proceeds and Title Insurance Proceeds not utilized or reserved for replacement of affected assets) but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership.

“Cash Available for Debt Service Requirements” means, for any specified number of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, the excess of (a) all Operating Revenues for such period over (b) all Project Expenses properly allocable to such period of time on an accrual basis and, on an annualized basis, all projected expenditures, 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, as determined by the Accountants, but specifically excluding payment of Debt Service Requirements. For purposes of this definition, (a) Project Expenses shall include, to the extent not otherwise covered above, full funding of reserves required by the Mortgage Loan Documents or this Agreement and normal repairs and necessary capital improvements not otherwise funded out of any reserves or insurance specifically available therefor, (b) if free rent or other rental concessions shall have been granted to tenants, Operating Revenues shall be adjusted so that the effect of such concessions is amortized equally over the term of all leases (excluding renewal periods) to which it applies, (c) Operating Revenues shall not exceed the amount of Operating Revenues that could have been achieved with a vacancy rate equal to the greater of 5.00% or the actual vacancy rate, and (d) Project Expenses shall be calculated based on the greater of (1) the actual Project Expenses or (2) underwritten expenses of \$5,006 per unit per year trending at 3.00% per annum from the date of Investment Closing.

“Cash Flow” means, with respect to any fiscal year of the Partnership or any other applicable period for the Partnership, subject to any applicable Agency or Lender requirements, (a) all Operating Revenues of the Partnership for such period, plus (b) any amounts which the General Partner, with the prior written consent of each Lender or Agency whose consent may be required and the Consent of the Investor Limited Partner, release from any Partnership reserve or escrow account as no longer being necessary to be held as part of such reserve or escrow account, less (c) Project Expenses paid during the applicable period. Notwithstanding the foregoing, Cash Flow shall be calculated before deduction of any of the fees, loan repayments and interest payments specifically enumerated in the numbered clauses of Section 10.1A. Cash Flow shall be determined separately for each fiscal year and shall not be cumulative.

“Certificate” has the meaning attributed thereto in the Background Statement to this Agreement, as amended from time to time in accordance with the terms hereof and the Uniform Act.

“Change in Tax Law” means any amendments to the Code after the date of this Agreement and amendments to or promulgations of new legislative regulations after the date of this Agreement that provides for the reduction or elimination of the Annual Credit or substantially changes the requirements necessary for the Project to qualify for the Annual Credit in a manner

that the Special Limited Partner, acting in good faith, reasonably determines cannot be satisfied by the Partnership using commercially reasonable methods or on commercially reasonable terms.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

“Commitment” and “Commitments” means the Mortgage Loan Commitments and any other documents and other instruments delivered to or required by the Lenders or any Agency by or from the Partnership in connection with any of such commitments, as amended from time to time.

“Completion Date” means the date on which the Investor Limited Partner shall have received all of the following: (i) copies of all requisite certificates of occupancy necessary to permit the use and occupancy of 100% of the apartment units in the Project; provided, however, that if such certificates are of a temporary nature, the “Completion Date” shall not be deemed to have occurred unless that work remaining to be done is of a nature which would not impair the permanent occupancy of any of such apartment units; (ii) the date as of which the Construction Inspector, the Project Architect, and the General Partner has certified in writing to the Investor Limited Partner that the work to be performed by the Builder under the Construction Contract is substantially complete in accordance with the Plans and Specifications and the other Construction Documents; (iii) the date of delivery to the Investor Limited Partner of a current date-down endorsement to the Title Policy. Any representation by the General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Investor Limited Partner and the Construction Inspector pursuant to a physical inspection of the Property.

“Compliance Period” means the entire period during which the “compliance period” specified in Section 42(i)(1) of the Code shall be applicable to any building of the Project.

“Consent” means, with respect to a specified Partner, the prior written consent or approval of such Partner. Unless otherwise specifically provided herein, any such Consent may be given or withheld in such Partner’s sole and absolute discretion.

“Construction Contract” means the Construction Contract between the Partnership and the Builder providing for the construction of the Improvements, as the same may be amended from time to time in accordance with this Agreement. In no event shall the Construction Contract provide for a builder’s fee, overhead or other compensation that exceeds the amount allowable by the Credit Authority.

“Construction Documents” means the Construction Contract, including without limitation, the general conditions and the project manual, the Plans and Specifications, the agreement between the Partnership and the Project Architect, the agreement between the Partnership and the Project engineer, and all trade contracts to which the Partnership or the Builder are a party and pursuant to which construction of the Improvements will be accomplished.

“Construction Inspector” means an architect, engineer or other professional approved by the Investor Limited Partner for the purpose of periodically inspecting (no more than monthly) and reporting to the Investor Limited Partner on the progress of rehabilitation of the Project. The Investor Limited Partner shall use best efforts to select the same Construction Inspector as Lender.

“Consumer Price Index” means the Consumer Price Index for All Urban Consumers, All Cities, for All Items (base 1982-84 = 100) published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Agreement is to be made, the most comparable governmental index published in lieu thereof shall be substituted therefor.

“Controlling Interest” means, with respect to an Entity, the power to direct the management and policies of such Entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Cost Certification” means a certified audit by the Accountants acceptable to the Investor Limited Partner and submitted to the Credit Authority, itemizing the Partnership’s construction costs for the Project for purposes of establishing the amount of Federal Low Income Housing Tax Credits available to the Partnership.

“Credit Approval” means the letter(s) issued by the Credit Authority and the Governmental Lender pursuant to Sections 42(m)(1)(D) and 42(m)(2)(D) of the Code, respectively, preliminarily approving Federal Low Income Housing Tax Credits with respect to the Project in an amount equal to \$358,352 per annum. The Credit Approval includes an initial determination by the Credit Authority that the Project satisfies the requirements of the Project State’s qualified allocation plan and is not more than necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project pursuant to Section 42(m)(1)(D) and 42(m)(2)(D) of the Code.

“Credit Authority” means the Virginia Housing Development Authority, or any successor agency that administers the Federal Low Income Housing Tax Credit program in the Project State.

“Credit Period” means the “credit period” described in Section 42(f)(1) of the Code and, in the case of a Building to which Section 42(f)(2) of the Code applies, the first taxable year thereafter.

“Debt Service Coverage Ratio” means, for any specified period of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, a fraction, the numerator of which is the Cash Available for Debt Service Requirements with respect to such period and the denominator of which is the Debt Service Requirements for such period. The achievement by the Partnership of a specified Debt Service Coverage Ratio shall be confirmed by the Accountants and shall be subject to independent confirmation by the Investor Limited Partner.

“Debt Service Requirements” means, for any specified period of consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date, all debt service, mortgage insurance premiums, guarantee fees, servicing fees, and other cash requirements imposed under the Mortgage Loan Documents (including without limitation full funding of any reserves or escrow accounts or any other indebtedness properly allocable to such period of time on an annualized accrual basis as determined by the Accountants). Debt Service Requirements does not include “soft” requirements imposed by the Mortgage Loan Documents (e.g., costs that need not be paid on a current basis but are instead

payable solely to the extent of available Cash Flow). For purposes of calculating the Debt Service Coverage Ratio at any time prior to the Amortization Commencement Date, Debt Service Requirements shall be calculated using the amount of debt service and other cash requirements imposed under the Mortgage Loan Documents following the Amortization Commencement Date as if the Amortization Commencement Date had commenced on the first day of the applicable period.

“Deferred Development Fee” has the meaning attributed thereto in the Development Agreement.

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is obligated to restore (or is treated as being obligated to restore) to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s share of Partnership Minimum Gain if any, and (iii) such Partner’s share of Partner Non-Recourse Debt Minimum Gain, if any.

“Designated Affiliate” means any Person performing services on behalf of the Partnership, within the scope of the authority of the General Partners, who: (1) directly or indirectly controls, is controlled by, or is under common control with any General Partner, (2) possess, directly or indirectly, the power to direct or cause the direction of the management or policies of the General Partner, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be, (3) is an officer, director, partner or trustee of any General Partner, or (4) if any General Partner is an officer, director, partner or trustee, of any company for which the General Partner acts in any such capacity.

“Designated Interest Rate” means the annual rate of interest which is at all times equal to the lesser of (i) the Prime Rate plus 2.00%, with calculations of interest to be made on a daily basis and on the basis of a 360-day year, or (ii) the maximum rate permitted by law; the term “Prime Rate” means the rate of interest announced from time to time by the Bank as its prime lending rate.

“Designated Proceeds” means the proceeds of the Mortgage Loans, any net rental or other miscellaneous income of the Partnership generated through Final Closing (to the extent not otherwise covered by this Designated Proceeds definition) which is permitted by any applicable Lender or Agency to be utilized for Development Costs, the Capital Contributions (excluding any Capital Contributions of the General Partner in excess of \$1,000 in the aggregate), and any insurance proceeds arising out of casualties prior to Final Closing.

“Developer” means FA Developer LLC, a Delaware limited liability company.

“Development Advances” has the meaning set forth in the Development Agreement.

“Development Agreement” means the Development Agreement dated as of even date herewith by and between the Partnership and the Developer, as amended from time to time in accordance with its provisions and the provisions of this Agreement.

“Development Costs” means all costs (other than payment of the Deferred Development

Fee) incurred to (i) acquire fee title to the Land, (ii) complete the construction of the Improvements or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens (except those which have been bonded or insured against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership or the Property for payment of any claim or debt secured thereby), and equip the Improvements or cause the same to be equipped, all in accordance with the Project Documents and the drawings and specifications for the Project, (iii) convert the Tax-Exempt Loan (including repayment in full of any construction portion of the Tax-Exempt Loan) and arrive at Final Closing in conformity with the Project Documents, (iv) discharge all Partnership liabilities and obligations arising out of any casualty (occurring prior to Final Closing) giving rise to the receipt of insurance proceeds, (v) satisfy the obligations of the Partnership under the Development Agreement (other than payment of the Deferred Development Fee), (vi) fund the Operating Reserve, (vii) pay all Environmental Compliance Costs, and (viii) pay or provide for all other payments, expenses, escrows or reserves required by any Lender, Agency or Partnership creditor to be made, incurred or funded through Final Closing (other than Project Expenses incurred through Final Closing).

“Development Fee” has the meaning attributed thereto in the Development Agreement.

“Document Schedule” means the Schedule of Documents attached hereto as **Exhibit 6**.

“Economic Risk of Loss” has the meaning set forth in Treasury Regulation Section 1.752-2.

“Election Notice” has the meaning attributed thereto in Section 5.3A.

“Eligible Basis” has the meaning set forth in Section 42(d) of the Code and the Treasury Regulations thereunder.

“Entity” means any limited liability company or partnership, general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Environmental Compliance Costs” means all costs necessary to bring the Project into compliance with all Hazardous Waste Laws.

“Event of Bankruptcy” means, as to a specified Person:

(i) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(ii) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official)

of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing; or

(iii) in the case of a Person who is a General Partner, the voluntary withdrawal of such Person as a General Partner in violation of the terms of this Agreement.

“Extended Use Agreement” means the “extended low-income housing commitment” to be entered into by and between the Credit Authority and the Partnership prior to the end of the first year of the Credit Period governing the long-term use restrictions applicable to the Project in respect of the Federal Low Income Housing Tax Credits and otherwise satisfying all of the requirements of Section 42(h)(6) of the Code.

“Federal Low Income Housing Tax Credits” means the low-income housing tax credits for which the Project is eligible under Section 42 of the Code.

“Fifty Percent Completion Date” means the latest to occur of the following: (i) the receipt by the Investor Limited Partner of a written certification from the Construction Inspector, the Project Architect and the General Partner certifying that the work to be performed by the Builder under the Construction Contract is fifty percent (50%) complete (based upon the ratio of the cost of completed items under the Construction Contract to the total Construction Contract amount, taking into account change orders and other revisions, as of the date of such certification) in accordance with the Plans and Specifications; (ii) the receipt by the Investor Limited Partner of a certification of the General Partner, the Project Architect and the Construction Inspector of a detailed description of the costs incurred by the Partnership under the Construction Contract; (iii) receipt by the Investor Limited Partner of lien waivers signed by the Builder and all Material Sub-Contracts, prepared on forms provided by the Investor Limited Partner; (iv) receipt by the Investor Limited Partner of evidence satisfactory to the Investor Limited Partner that all sums due in connection with the construction of the Improvements have been paid in full or will be paid from the proceeds of the Second Installment; (v) the Investor Limited Partner has received copies of all AIA Applications of Payment submitted to the Partnership by the Builder and all sub-contractors with Material Sub-Contracts; (vi) written approval by the Investor Limited Partner of any changes to the original development budget to the extent such approval is required under Section 6.1 of this Agreement, and construction completion timeline, together with evidence satisfactory to the Investor Limited Partner that sources of funds are available to the Partnership to pay for all remaining costs to complete the Project; and (vii) written approval of the Investor Limited Partner of all change orders in connection with the Construction Contract to the extent such approval is required under Section 6.1 of this Agreement.

“Fifty Percent Test Qualification” means receipt by the Investor Limited Partner of an Accountant’s opinion in form and substance reasonably satisfactory to the Investor Limited Partner concluding that, for purposes of Section 42(h)(4) of the Code, not less than fifty percent (50%) of the aggregate basis of the Buildings (including site improvements) and the Land was financed with the proceeds of an obligation, the interest on which is exempt from tax under Sections 103 and 142 of the Code and which is within the Project State’s volume cap as provided under Section 146 of the Code.

“Filing Office” has the meaning attributed thereto in the Background Statement to this Agreement.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) full disbursement of the Mortgage Loan proceeds, (iii) repayment of the construction portion of the Tax-Exempt Loan, if any, (iv) the conversion of the Tax-Exempt Loan in a principal amount determined in accordance with the provisions of Section 9.1B, (v) the Amortization Commencement Date, (vi) the Project is free of any mechanics’ and other liens as evidenced by duly executed and notarized final and unconditional lien waivers on AIA Document G706 from the Builder and all subcontractors (but excluding any liens bonded against or affirmatively insured against under the Title Policy in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby), (vii) Cost Certification, (viii) issuance of a current date-down endorsement to the Title Policy, (ix) all Development Costs have been paid or, alternatively, are provided for based on an updated sources and uses statement for the Project, and (x) the full funding of any reserves but only to the extent required under the Mortgage Loan Documents and this Agreement as of the date on which all other conditions to Final Closing have been satisfied, unless funded concurrently with the Final Closing.

“Final Determination” means the earliest to occur of (a) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (b) the date on which the Service has entered into a binding agreement with the Partnership with respect to such issue or on which the Service has reached a final administrative determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (c) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired, or (d) the date on which the applicable statute of limitations for raising an issue regarding a Federal income tax matter with respect to the Partnership has expired.

“Funding Lender” means, initially, the Bank, and upon transfer of the loan after the date hereof, Freddie Mac, and their respective successors and assigns.

“General Partner” or “General Partners” means Heritage Acres Preservation GP LLC, a Delaware limited liability company and any other Person or Persons designated as a General Partner in the **Schedule A** or any other Person who becomes a General Partner as provided herein. If at any time the Partnership shall have a sole General Partner, the term “General Partners” shall be construed as singular.

“Government Official” means an officer, employee or official of a government, government owned or controlled entity, Agency, political party or public international organization, or a candidate for political office.

“Governmental Lender” means the Suffolk Redevelopment and Housing Authority.

“Guarantor” means, initially, the Fairstead Affordable LLC, Jeffrey Goldberg, an individual, and Stuart Feldman, an individual; provided, however, upon release of Stuart Feldman

as a Guarantor in accordance with the Guaranty Agreement, the term “Guarantor” shall be revised to mean the Fairstead Affordable LLC only.

“Guaranty Agreement” means the Guaranty Agreement of even date herewith from the Guarantor, for the benefit of the Investor Limited Partner and the Special Limited Partner.

“HAP Contract” the housing assistance payment contract between Navigate Affordable Housing Partners and the Partnership effective as of August 1, 2018 pursuant to which Navigate Affordable Housing Partners has agreed to provide Section 8 project-based vouchers to the Partnership for the Low-Income Units for a term of not less than 20 years.

“Hazardous Material” means and includes any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, including without limitation those listed in or regulated under any Hazardous Waste Laws, polychlorinated biphenyls, petroleum, petroleum-based or petroleum-derived products, mold, and asbestos or asbestos-containing materials, except for those materials kept in the ordinary course of business for office supplies, cleaning and pest control.

“Hazardous Waste Laws” means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be amended from time to time and including any regulations promulgated thereunder.

“HUD” means the U.S. Department of Housing and Urban Development, and its successors.

“Improvements” means the Buildings and any related facilities to be constructed and/or renovated in accordance with the Project Documents.

“Installment” means any installment of the Capital Contributions of the Investor Limited Partner referred to in Section 5.1.

“Interest”, or words of like import, shall mean all the interest of a Partner in Cash Flow and other distributions, capital, profits and losses, tax credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor Entity formed pursuant to this Agreement.

“Investment Assumptions” means the financial schedules and underlying assumptions prepared by STCC and attached hereto as **Exhibit 8**.

“Investment Closing” means the date of full execution of this Agreement. Investment Closing occurred on August 17, 2018.

“Investor Limited Partner” means STCC Heritage Acres Preservation LLC, and its successors and assigns.

“Land” means the parcel of land on which the Improvements are located in Suffolk, Virginia, as further described in Schedule A of the Title Policy.

“Lender” means any lender under any Mortgage Loan, together with its respective successors and assigns in such capacity, including, without limitation, the Governmental Lender and the Funding Lender.

“Limited Partner” or “Limited Partners” mean any or all of those Persons designated as Limited Partners in Schedule A, any Person admitted as a Limited Partner pursuant to Section 4.6, or any Person who becomes a Substitute Limited Partner pursuant to Article VIII, in each such Person’s capacity as a Limited Partner of the Partnership. Such term shall include the Special Limited Partner, the Investor Limited Partner, and any Persons who may succeed to the Interests of such Limited Partners.

“Low Income Unit” means the seventy-six (76) dwelling units in the Project that are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

“Management Agent” means SHP Management Corp., or any successor thereto engaged by the General Partner as the management agent for the Project with the reasonable Consent of the Investor Limited Partner.

“Management Agreement” means the management agreement effective as of August 1, 2018 by and between the Partnership and the Management Agent which has received all Requisite Approvals and the approval of the Investor Limited Partner.

“Management Fee” means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the Management Agreement which shall be subject to any Requisite Approvals and the provisions of Article XI.

“Major Sub-Contracts” means all sub-contractors with contract sums in excess of \$100,000.

“Material Default” has the meaning set forth in Section 7.7B.

“Minimum Operating Reserve Amount” has the meaning attributed thereto in Section 6.10B.

“Mortgage” means each deed of trust granted by the Partnership to a Lender as security for the Partnership’s obligations under the Mortgage Loan Documents; and, where the context admits, “Mortgage” shall mean and include any security agreements, assignments or other instruments pertaining to said indebtedness that are required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term “Mortgage” as used herein includes any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and the term “foreclose” and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

“Mortgage Loan” means the Tax-Exempt Loan, and any other indebtedness secured by a Mortgage that is obtained by the Partnership in accordance with the terms of this Agreement.

“Mortgage Loan Commitments” means and includes the commitment evidencing the Tax-Exempt Loan.

“Mortgage Loan Documents” means the Mortgage Loan Commitments, Notes, Mortgages and other documents evidencing and securing any Mortgage Loan or otherwise entered into by the Partnership and/or the General Partner in connection therewith, all of which shall be subject to approval by the Investor Limited Partner.

“Negative Cash Flow Loan” means a loan to the Partnership pursuant to Section 6.8 and which is repayable without interest and only as provided in Article X.

“Note” means and includes any promissory note from the Partnership to a Lender evidencing a Mortgage Loan, and shall also mean and include any note supplemental to said original note issued to a Lender or any note issued to a Lender in substitution for any such original note.

“Operating Reserve” has the meaning attributed thereto in Section 6.10B.

“Operating Revenues” means, with respect to a fiscal year or other applicable period, all cash actually received by the Partnership on a cash basis from normal operations, including without limitation, (i) all rental revenue (except pre-paid rent, which shall be added only on an accrual basis during such period), tenant voucher or other rental subsidy payments, including subsidy payments received from the HAP Contract, proceeds from business or rental interruption insurance, laundry income, parking revenue and other incidental revenues but specifically excluding interest on Partnership reserves, proceeds of insurance (other than business or rental interruption insurance), loans, amounts refunded by the Service or other taxing authority, Capital Transactions or Capital Contributions, and (ii) the proceeds of any Partnership reserves or escrow accounts properly released to pay Project Expenses.

“Partner” means any General Partner or Limited Partner.

“Partner Non-Recourse Debt” means any Partnership liability (i) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor’s right to repayment is limited to one or more assets of the Partnership and (ii) for which any Partner or Related Person bears the Economic Risk of Loss.

“Partner Non-Recourse Debt Minimum Gain” means the amount of partner nonrecourse debt minimum gain and the net increase or decrease in partner nonrecourse debt minimum gain determined in a manner consistent with Sections 1.704-2(d), 1.704-2(i)(2) and (i)(3) and 1.704-2(k) of the Allocation Regulations.

“Partner Non-Recourse Deductions” shall have the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Allocation Regulations.

“Partnership” means the limited partnership governed by this Agreement as said limited

partnership may from time to time be constituted.

“Partnership Minimum Gain” means the amount determined by computing, with respect to each Partnership Non-Recourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Sections 1.704-2(d) and 1.704-2(k) of the Allocation Regulations.

“Partnership Non-Recourse Deductions” shall have the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Allocation Regulations.

“Partnership Non-Recourse Liability” means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the Economic Risk of Loss.

“Partnership Representative” means the Person designated as “partnership representative” of the Partnership in accordance with Section 6.2.

“Payment Certificate” has the meaning given it in Section 5.1B(i).

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“Plans and Specifications” means the plans and specifications for the rehabilitation and development of the Project approved by the Investor Limited Partner, including, without limitation, specifications for materials, and all amendments and modifications thereof, as the same may be amended from time to time with the Consent of the Investor Limited Partner.

“Project” or “Property” means the Land and the Improvements.

“Project Architect” means Via Design Architects, PC, or such other architect reasonably approved by the Investor Limited Partner in writing.

“Project Documents” means and includes this Agreement, the Construction Documents, the Mortgage Loan Documents, the Regulatory Agreements (including the Extended Use Agreement), the Tax Credit Application, the HAP Contract, the Credit Approval, the Cost Certification, IRS Forms 8609, the Commitments, the Management Agreement, the Development Agreement, the Guaranty Agreement, the Purchase Option Agreement the Closing Certificate, the Supervisory Management Agreement, and all other material documents relating to the Project which are required by, or have been executed by the General Partner in connection with, any of the foregoing documents.

“Project Expenses” means all the costs and expenses of any type incurred by the Partnership and properly charged as operating expenses incidental to the ownership and operation of the Project under standard accounting procedures; such operating expenses may include, without limitation, real estate taxes (assuming full assessment as such full assessment may be reduced by any tax exemptions or abatements received by the Partnership which have been Consented to by the Limited Partners) and any other federal, state or local taxes assessed against

the Partnership, capital improvements reasonably deemed necessary by the General Partner and not funded out of any reserves or escrows for such or from the proceeds of insurance, the cost of operations, debt service and other payments with respect to the Mortgage Loan, maintenance and repairs, the funding of any reserves or escrows required to be maintained by any Lender or Agency or pursuant to Section 6.10 hereof, but shall not include repayment of any Negative Cash Flow Loans or Voluntary Loans or any other distributions or payments pursuant to Article X.

“Project State” means the Commonwealth of Virginia.

“Purchase Option Agreement” means that certain Purchase Option Agreement between the General Partner and the Partnership dated as of the date hereof.

“Qualified Income Offset Item” means (i) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner’s interest in the Partnership, or (c) pursuant to Treasury Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items and (ii) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner’s Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

“Qualified Tenant” means a household comprised of one or more persons (i) with income not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases an apartment unit in the Project under a lease having an original term of not less than 12 months at a rent not in excess of that specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

“Recapture Event” means, and shall be deemed to have occurred, if at any time during the Compliance Period the Project ceases to be a “qualified low income housing project” (as defined in Section 42(g)(1) of the Code) or any Low Income Unit in the Project ceases to be a “low income unit” (as defined in Section 42(i)(3) of the Code), and as a result thereof all or any portion of Annual Credits allowed to the Partnership and its Partners are subject to recapture pursuant to Code Section 42(j).

“Regulations” means the rules and regulations of any Agency which are applicable to the Project or the Partnership.

“Regulatory Agreement” means any regulatory agreements, affordability restrictions, restrictive covenants or other similar documents entered or to be entered into between or by the Partnership and/or for the benefit of any Lender or Agency with respect to the Property, as amended from time to time. The term, “Regulatory Agreement” includes, without limitation, the Extended Use Agreement.

“Related Agreements” means the Guaranty Agreement and each other agreement, promissory note and certificate referred to in the Document Schedule.

“Related Person” has the meaning set forth in Treasury Regulation Section 1.752-4(b) or any successor regulation thereto.

“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.

“Requisite Approvals” means any required approvals of the Lender and each Agency to an action proposed to be taken by the Partnership.

“Retirement” (including the forms “Retire” and “Retired”) means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution or voluntary or involuntary withdrawal from the Partnership for any reason. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law, death, incapacity or pursuant to any terms of this Agreement. A General Partner which is an Entity also will be deemed to have Retired upon the sale or other disposition of a Controlling Interest in such Entity without the Consent of the Investor Limited Partner.

“Sales Preparation Fee” has the meaning set forth in Section 9.2D.

“Schedule A” means the schedule of Partners annexed hereto as **Schedule A** as amended from time to time and as so amended at the time of reference thereto.

“Service” means the Internal Revenue Service.

“Short-Term Investments” means investments which are certificates of deposit or other interest-bearing short-term obligations of the Bank.

“Special Capital Contribution” means a capital contribution described in and made pursuant to Sections 4.1B, 6.4J and 6.8.

“Special Limited Partner” means CDC Special Limited Partner, L.L.C., a Georgia limited liability company, and shall include any successor in such capacity.

“Special Tax Counsel” means Nixon Peabody LLP, of Boston, Massachusetts, or other counsel acceptable to the Investor Limited Partner.

“Stabilized Occupancy Date” means the first date on which not less than 95% of the Low Income Units have been occupied by Qualified Tenants for a period of three (3) consecutive calendar months following the Completion Date under bona fide written leases with initial terms of not less than one (1) year at average rental rates (taking into account free rent and other concessions) not less than those forecast in the Investment Assumptions, and upon terms satisfying

the requirements of Section 42 of the Code. For purposes of the foregoing definition, the status of tenants as Qualified Tenants shall have been confirmed to the Investor Limited Partner by the oversight manager referred to in Section 6.4K.

“Stabilized Operations Date” means the first day following a period of three (3) consecutive calendar months ending no sooner than the calendar month immediately preceding the Amortization Commencement Date during each of which such month, as determined by the Accountants, subject to reasonable review and approval by the Investor Limited Partner, the Project has achieved a Debt Service Coverage Ratio of not less than 1.15:1.

“State of Formation” means the State of Delaware.

“STCC” means SunTrust Community Capital, LLC, a Georgia limited liability company, and its successors and assigns.

“Submission Date” means the date upon which all of the following events have occurred: (i) all applications and supporting documentation (including, without limitation, the Cost Certification) have been completed and submitted by the Partnership to the Credit Authority to obtain IRS Forms 8609 for the Buildings, and (ii) the Cost Certification has been submitted by the Partnership to the Credit Authority and to each Lender (to the extent required by each such Lender).

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.3.

“Supervisory Management Agreement” means the Supervisory Management Agreement of even date herewith between the Partnership and the General Partner providing for the payment of the Supervisory Management Fee.

“Supervisory Management Fee” means the fee payable to the General Partner under the Supervisory Management Agreement for its services thereunder.

“Tax Credit Application” means the application submitted to the Credit Authority to obtain the Credit Approval, as amended from time to time, including all documentation submitted to the Credit Authority concurrently therewith or pursuant thereto.

“Tax Credit Litigation Expenses” means all costs and expenses of every kind and nature (including third-party costs such as reasonable attorney’s fees, accountant’s fees, witness fees, and consultant’s fees) incurred by the Partnership or the Partnership Representative in connection with any audit or investigation of the Partnership by the Service and any administrative or judicial proceedings arising from any adjustment of Partnership items.

“Tax Credit Shortfall Payment” has the meaning attributed thereto in Section 5.2E.

“Tax-Exempt Loan” means the construction/permanent loan from the Governmental Lender in the initial principal amount of approximately \$6,660,000 funded by a loan from the Funding Lender to the Governmental Lender, which will have a term of 16 years, amortize over 35 years, and bear interest at a fixed rate equal to 4.66%, *plus* an issuer servicing fee of 0.125%,

shortly after the closing of the Tax-Exempt Loan the Funding Lender will sell the Funding Loan to Freddie Mac pursuant to the Tax-Exempt Loan Documents.

“Tax-Exempt Loan Documents” means the documents executed in connection with the Tax-Exempt Loan, including but not limited to, the Tax-Exempt Note.

“Tax-Exempt Note” means the tax-exempt Multifamily Note in the principal amount of \$6,660,000 made by the Governmental Lender to finance the acquisition and development of the Project, which Tax-Exempt Note is subject to the Project State’s volume cap as provided in Section 146 of the Code and the interest on the Tax-Exempt Note is exempt from federal income tax under Sections 103 and 142 of the Code, pursuant to the terms of the Tax-Exempt Loan Documents.

“Title Insurance Proceeds” means the proceeds available to the Partnership deriving from recoveries under the Title Policy or from attorneys certifying title to the Project.

“Title Policy” means the owner’s policy of title insurance issued to the Partnership by Stewart Title, as endorsed to include all required endorsements effective as of the date of Investment Closing in the amount of \$11,675,046 (which amount is approximately equal to the acquisition and development costs of the Project).

“TMP” means the Person designated as “tax matters partner” of the Partnership in accordance with Section 6.2.

“Treasury Regulations” means the regulations promulgated under the Code at the time of reference thereto.

“Uniform Act” means the uniform limited partnership act in effect in the State of Formation, as amended from time to time.

“Voluntary Loan” has the meaning attributed thereto in Article IX.B.

ARTICLE II

CONTINUATION; NAME, AND PURPOSE

Section 2.1 Continuation. The Partners hereby agree to continue the limited partnership known as “Heritage Acres Preservation LP” which was formed pursuant to the Uniform Act.

Section 2.2 Name and Office; Agent for Service.

A. The Partnership shall be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership shall be at 250 West 55th Street, 35th Floor, New York, New York 10019. The General Partner may at any time change the location of such principal office and shall give prompt notice of any such change to the Limited Partners.

B. The name and address of the agent of the Partnership for service of process in the State of Formation is: Stellar Corporate Services LLC, 3500 South DuPont Highway, Dover,

Delaware 19901.

C. The name and address of the agent of the Partnership for service of process in the Project State is: Incorporating Services Ltd. 7288 Hanover Green Drive, Mechanicsville, Virginia 23111.

Section 2.3 Purpose. The purpose of the Partnership is to acquire, construct, rehabilitate, develop, repair, improve, maintain, operate, lease, dispose of and otherwise deal with the Project in accordance with any applicable Regulations and this Agreement. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts. In furtherance of its purpose, the Partnership, and the General Partner acting on its behalf (but subject to the provisions of Section 6.1B), are each hereby authorized:

- (i) To acquire, construct, rehabilitate, develop, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease the Project and any other real estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.
- (ii) To execute any and all notes, mortgages and security agreements in order to secure loans from any Lender and any and all other documents, including but not limited to the Project Documents, required by any Lender or Agency in connection with each Mortgage Loan and the acquisition, construction, rehabilitation, repair, development, improvement, maintenance and operation of the Property.
- (iii) To prepay in whole or in part, refinance, recast, increase, modify or extend any Mortgage Loan.
- (iv) To contract with any Person, including any Affiliate, to perform services for, or to sell goods to, the Partnership and to pay for such goods and services; provided that (except with respect to any contract specifically authorized by this Agreement) the terms of any such transaction with an Affiliate shall not be less favorable to the Partnership than would be arrived at by unaffiliated parties dealing at arms' length.
- (v) To execute agreements with any Agency.
- (vi) To execute leases of the apartment units in the Project.
- (vii) To execute the Related Agreements and any notices, documents or instruments in connection therewith or pursuant thereto.
- (viii) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purpose of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a limited partnership under the laws of the State of Formation and/or the Project State.

ARTICLE III

TERM AND DISSOLUTION

A. The Partnership shall continue in full force and effect in perpetuity except that the Partnership shall be dissolved prior to such date upon:

- (i) a sale or other disposition of all or substantially all of the assets of the Partnership that results in a “liquidation” of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations;
- (ii) the election to dissolve the Partnership made in writing by the General Partner with the Consent of the Investor Limited Partner and any Requisite Approvals; or
- (iii) the entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

The Partnership shall not be dissolved by the resignation, withdrawal, bankruptcy or dissolution of a Partner.

B. Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Article VII), the General Partner (or for purposes of this paragraph its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate and liquidation of the Partnership in accordance with the provisions of this Agreement and the Regulations.

ARTICLE IV

PARTNERS; CAPITAL

Section 4.1 General Partner.

A. Heritage Acres Preservation GP LLC is the General Partner of the Partnership. Its address and Capital Contributions are set forth in **Schedule A**. In no event shall the aggregate Capital Contributions of the General Partner (excluding any Special Capital Contributions and any Capital Contributions made pursuant to Sections 5.2E and 6.2G) exceed \$100 without the Consent of the Investor Limited Partner.

B. In the event that there shall remain any outstanding balance of Deferred Development Fee on the earlier to occur of the fifteenth (15th) anniversary of the Completion Date or an earlier liquidation of the Partnership, the General Partner shall within ten (10) days thereafter make a Special Capital Contribution to the Partnership in an amount equal to such outstanding obligation and shall cause the Partnership to promptly apply the proceeds thereof to the payment of such outstanding Deferred Development Fee.

Section 4.2 Limited Partners.

A. STCC Heritage Acres Preservation LLC is hereby admitted to the Partnership as

the Investor Limited Partner. Its address and Capital Contribution in such capacity are set forth in **Schedule A**. The payment of its Capital Contribution is governed by Section 5.1.

B. CDC Special Limited Partner, L.L.C. is hereby admitted to the Partnership as the Special Limited Partner. Its address and Capital Contribution in such capacity are set forth in **Schedule A**.

C. The Original Limited Partner is FA Acquisitions LLC. By execution of this Agreement, the Original Limited Partner hereby withdraws as a Partner of the Partnership and, as such, shall have no further rights or obligations with respect to the Partnership.

Section 4.3 Partnership Capital and Capital Accounts.

A. The capital of the Partnership shall be the aggregate amount contributed by the Partners as set forth in **Schedule A**. No interest shall be paid by the Partnership on any Capital Contribution. **Schedule A** shall be amended and, if necessary or appropriate, amendments to the Certificate shall be filed from time to time to reflect the withdrawal or admission of Partners and any changes in the Interest held or amounts contributed or agreed to be contributed by any Partner.

B. An individual Capital Account shall be established and maintained for each Partner. The original Capital Account established for each substituted Partner shall be in the same amount as, and shall replace, the Capital Account of the Partner which such substituted Partner succeeds, and such substituted Partner shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Partner which such substituted Partner succeeds. To the extent a substituted Partner receives less than 100% of the Interest of a Partner it succeeds, the original Capital Account of such substituted Partner and its Capital Contribution shall be in proportion to the Interest it receives and the Capital Account of the Partner who retains a partial Interest in the Partnership and his Capital Contribution shall continue, and not be replaced, in proportion to the Interest it retains. The term "substituted Partner", as used in this paragraph, shall mean a Person who shall become entitled to receive a share of the allocations and distributions of the Partnership by reason of such Person succeeding to the Interest of a Partner by assignment of all or any part of a Partner's Interest. Any special basis adjustments under Section 743 of the Code resulting from an election by the Partnership pursuant to Section 754 of the Code shall not be taken into account for any purpose in establishing and maintaining Capital Accounts for the Partners pursuant to this Section 4.3.

Section 4.4 Withdrawal of Capital. Except as may be specifically provided in this Agreement, no Partner shall have the right to (a) withdraw from the Partnership all or any part of his Capital Contribution or (b) demand and receive property of the Partnership in return for his Capital Contribution or in respect of his Interest.

Section 4.5 Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall be liable only to make payments of its Capital Contribution as and when due hereunder. After its Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further capital contributions or payments or lend any funds to the Partnership.

Section 4.6 Additional Limited Partners. The General Partners may admit additional Limited Partners only with the Consent of the Investor Limited Partner.

Section 4.7 Agreement and Project Documents Bind Partners. Each General Partner and Limited Partner shall be bound by this Agreement and the Project Documents. Any incoming General Partner and/or Limited Partner shall as a condition of receiving any Interest also be bound by this Agreement and the Project Documents to the same extent and on the same terms as the other General Partners and Limited Partners, respectively. Upon any dissolution of the Partnership or any transfer of the Property while any Mortgage is held by any Lender, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any Person who is not, or does not become, bound in a manner satisfactory to the Lender and the Agency to the Project Documents and this Agreement. The Project Documents shall be binding upon and shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns as long as the corresponding Mortgage Loan shall be outstanding.

ARTICLE V

CAPITAL CONTRIBUTIONS OF INVESTOR LIMITED PARTNER

Section 5.1 Installments of Capital Contributions.

A. The Investor Limited Partner shall contribute as its Capital Contribution to the Partnership the sum of \$3,324,000 (subject to adjustment as set forth herein), payable in five (5) installments (the "Installments") as follows:

- (i) An amount equal to \$664,800 (the "First Installment") on the latest to occur of: (a) Investment Closing, (b) acquisition by the Partnership of fee title to the Land (which may occur contemporaneously with payment of this Installment), (c) the closing and initial funding of the Tax-Exempt Loan to the extent contemplated in the closing requisition (which may occur contemporaneously with payment of this Installment), (d) receipt of the Credit Approval, (e) receipt of the HAP Contract, and (f) satisfactory completion of the Investor Limited Partner's due diligence and closing requirements;

Concurrently with payment of the First Installment, the Partnership will pay to the Investor Limited Partner as reimbursement for its attorney and other third-party fees incurred by the Investor Limited Partner in connection with its investment in the Partnership in an amount not to exceed \$50,000 (the "Expense Reimbursement").

- (ii) An amount equal to \$1,329,600 (the "Second Installment") on the later to occur of: (a) the Fifty Percent Completion Date and (b) April 1, 2019;
- (iii) An amount equal to \$332,400 (the "Third Installment") on the Completion Date;
- (iv) An amount equal to \$498,600 (the "Fourth Installment") on the latest to occur of: (a) delivery to the Investor Limited Partner of a copy of the final Cost Certification

(including Fifty Percent Test Qualification) previously approved by the Investor Limited Partner, (b) the Submission Date, (c) the Stabilized Occupancy Date, (d) the Stabilized Operations Date, (e) Final Closing (which may occur contemporaneously with payment of this Installment), (f) funding of the Operating Reserve (which may occur simultaneously with the payment of this Installment), (g) October 1, 2019, and (h) the recording of the Extended Use Agreement; and

(v) An amount equal to \$498,600 (the “Fifth Installment” on the later to occur of (a) receipt of a properly completed and signed IRS Form 8609 for each of the Buildings, and (b) December 1, 2019.

B. The obligation of the Investor Limited Partner to make each Installment (except as otherwise provided) is subject to each of the following conditions:

- (i) The General Partner shall have properly completed, executed and delivered to the Investor Limited Partner a certificate (the “Payment Certificate”), in the form attached hereto as **Exhibit 2**, **Exhibit 3**, **Exhibit 4**, and **Exhibit 5** (relating to the Second, Third, Fourth and Fifth Installments, respectively), dated the date such Installment is to be paid to the Partnership, a current date-down endorsement to the Title Policy, and any other materials referred to in the Payment Certificate. In connection with the payment of each Installment, the Special Limited Partner and the Construction Inspector shall have the right to conduct a physical inspection of the Property to confirm the status of construction or to determine that the condition of the Project is consistent with sound business practices in the geographic area in which the Project is located, including no deferred maintenance.
- (ii) In the case of the First Installment, (a) all Requisite Approvals to the admission of the Investor Limited Partner and the Special Limited Partner pursuant to this Agreement shall have been obtained, and (b) the Credit Authority shall have issued the Credit Approval.
- (iii) Each of the representations and warranties set forth in Section 6.5 shall be true and correct.
- (iv) No event shall have occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3.
- (v) From and after the date of the occurrence of a Retirement of a General Partner or an Event of Bankruptcy as to any General Partner, the Developer or any Guarantor, the obligation of the Investor Limited Partner to pay the Installments shall be suspended, and such obligation shall be reinstated only when such Retirement or Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.
- (vi) No Installment shall become due and payable unless and until all prior Installments shall have become due and payable or the conditions therefor have been waived in writing by the Investor Limited Partner.

- (vii) All Installments shall be deposited in to an equity account and disbursed in accordance with the terms of the Tax-Exempt Loan Documents; provided, however, if in any event any portion of any installment prior to the Third Installment is not required to be deposited as set forth in the Tax-Exempt Loan Documents then such Installment shall be paid on a monthly draw basis only after each one of the conditions precedent to payment of the applicable Installment under Section 5.1A above have been achieved. In order to fund each such draw constituting a portion of such Installment, the General Partner shall submit to the Special Limited Partner no more frequently than once per month an Application and Certificate for Payment on AIA Document G702 and G703 certified by the Project Architect and the General Partner (which Application and Certificate shall also show the amounts being requested in connection with the Mortgage Loans), and all change orders and supporting documentation, accompanied by a conditional waiver and release upon payment, executed by the Builder, each in a form and substance satisfactory to the Special Limited Partner and the Construction Inspector, as well as copies of all draw requests previously approved by the Lender but not previously delivered to the Special Limited Partner, and each such draw request shall be funded by the Investor Limited Partner within ten (10) business days of the date such draw request is approved by the Special Limited Partner. Such Application and Certificate for Payment shall be submitted to the Special Limited Partner prior to submission of same to the any Lender for approval. The Investor Limited Partner shall not be obligated to fund such draw request in the event a Lender refuses to fund its draw request as approved by the Special Limited Partner.

Section 5.2 Adjustment to Capital Contributions of Investor Limited Partner

The Capital Contribution of the Investor Limited Partner shall be subject to adjustment in the manner provided in this Section 5.2.

A. Federal Low Income Tax Credit Downward Basis Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is or will be less than \$3,496,389 (the “Projected Aggregate Federal Low Income Tax Credit Amount”), then the Capital Contribution of the Investor Limited Partner shall be reduced in the aggregate by the sum of (i) \$0.95 (the “Federal Low Income Tax Credit Downward Basis Adjustment Factor”) for each \$1.00 that the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is less than the Projected Aggregate Federal Low Income Tax Credit Amount, *plus* (ii) the amount of any interest and/or penalties paid or payable by the Investor Limited Partner (or its participants) as a result of any Recapture Event affecting the foregoing calculation, *plus* (iii) the amount of any legal, accounting, or other expenses incurred by the Investor Limited Partner in connection with clauses (i) or (ii). If any subsequent determination is made as to the amount of Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period pursuant to Section 5.2 and such amount is different than the Projected Aggregate Federal Low Income Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term “Projected Aggregate Federal Low Income Tax Credit Amount” shall mean

the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner as previously adjusted *provided that* any required adjustments or payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

B. Federal Low Income Tax Credit Downward Timing Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination pursuant to which, the amount of the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner is less than \$349,639 in 2019 (the “Federal Downward Timing Adjuster Target Amounts”), then the Capital Contribution of the Investor Limited Partner shall be reduced by \$0.55 for each \$1.00 that the Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner in 2019 is less than the applicable Federal Downward Timing Adjuster Target Amounts for such years. Further notwithstanding the foregoing, however, in the event that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period shall vary from the Projected Aggregate Federal Low Income Tax Credit Amount in effect on the date of the Investment Closing, the Federal Downward Timing Adjuster Target Amounts for purposes of the preceding sentence shall be adjusted by the same percentage by which the actual Federal Low Income Housing Tax Credits properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period varies from the Projected Aggregate Federal Low Income Tax Credit Amount.

C. Federal Low Income Tax Credit Upward Basis Adjuster. If the Accountants shall determine at the time of the final Installment (based upon the final IRS Forms 8609 for all of the Buildings comprising the Project) that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is or will be greater than the Projected Aggregate Federal Low Income Tax Credit Amount (the “Additional Federal Low Income Tax Credits”), then the Capital Contributions of the Investor Limited Partner shall be increased by \$0.95 (the “Federal Low Income Tax Credit Upward Basis Adjustment Factor”) for each \$1.00 that the Federal Low Income Housing Tax Credits that are properly allocable to the Investor Limited Partner with respect to the Buildings for the Credit Period is greater than the Projected Aggregate Federal Low Income Tax Credit Amount. Notwithstanding the foregoing, the cumulative increase in the Investor Limited Partner’s Capital Contributions pursuant to this Section 5.2C, together with any increase under Section 5.2D, shall not exceed \$332,400 (which amount equals approximately 10.00% of the total Capital Contributions of the Investor Limited Partner) (the “Maximum Upward Adjustment Amount”). The Investor Limited Partner has no obligation to increase its Capital Contributions in excess of the Maximum Upward Adjustment Amount and any failure by the Investor Limited Partner to do so will not constitute a default by the Investor Limited Partner under this Agreement; provided, however, if the Federal Low Income Tax Credit Upward Basis Adjuster would be greater than the Maximum Upward Adjustment Amount and the Limited Partner declines to provide an increase to the Federal Low Income Tax Credit Upward Basis Adjuster for such greater amount, then the Partner Interest of the Partners will be adjusted accordingly so that the excess Federal Low Income Housing Tax Credits over the Projected Aggregate Federal Low Income Tax Credit Amount for which the Investor Limited Partner is not making a Capital Contribution will be allocated to the General Partner.

D. [Intentionally Omitted].

E. Application of Adjustments. If, upon the occurrence of any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2 (aggregating and/or netting all concurrent adjustments applicable to the Investor Limited Partner under this Section 5.2), including without limitation a Recapture Event, there is a reduction in such Capital Contribution, then such reduction shall be applied first to reduce the amount of any unpaid Installments of the Capital Contribution of the Investor Limited Partner, in order, until said adjustment is paid in full. If the reduction exceeds the amount of such unpaid Installments, or occurs after all Installments have been paid, then, within sixty (60) days of the date of the determination, the General Partner shall make a payment on an After-Tax Basis in the amount of such excess (a “Tax Credit Shortfall Payment”) to either: (i) the Partnership as a Capital Contribution, the proceeds of which shall be immediately distributed by the Partnership to the Investor Limited Partner, provided that the Investor Limited Partner has determined with the advice of Special Tax Counsel that losses (and any corresponding Tax Credits) projected to be allocated to the Investor Limited Partner during the Compliance Period will not be reallocated to another Partner as a result of the application of Section 704(b) of the Code and the Treasury Regulations thereunder, or (ii) directly to the Investor Limited Partner as a payment for breach of warranty, in which case the payment thereof shall not constitute a Capital Contribution, loan or advance to the Partnership and shall not be reimbursable by the Partnership. If full payment is not received within such sixty (60)-day period, the unpaid balance shall thereafter bear interest at the Designated Interest Rate. Notwithstanding the foregoing, any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2, including without limitation a Recapture Event, that results solely from any of the following events shall not require payment under this Section 5.2 by the General Partner or any Guarantor or cause a reduction of the Investor Limited Partner’s Capital Contribution: (i) a Change in Tax Law, or (ii) a transfer of all or a portion of the Investor Member’s Interest in the Company.

Section 5.3 Repurchase Requirements.

A. If any of the following events shall occur, the General Partner, at the election of the Investor Limited Partner, shall purchase the Interest of the Investor Limited Partner as provided below in this Section 5.3:

- (i) the Completion Date shall not have occurred on or before March 31, 2020;
- (ii) at any time prior to Final Closing, (1) any action to foreclose any Mortgage shall have been commenced and such action is not terminated or withdrawn within 90 days or a binding agreement with the holder(s) thereof to effect the same entered into within such period, and any notice of acceleration of indebtedness waived or withdrawn; (2) any action is commenced to foreclose any mechanics’ or any other lien (other than the lien of any Mortgage) against the Project and such action has not within 90 days been either bonded against or insured over in such a manner as to preclude the holder of such lien from having any recourse to the Property or to the Partnership for payment of any debt secured thereby, or affirmatively insured against by the title insurance policy or an endorsement thereto issued to the Partnership by a reputable title insurance company (which insurance company will not have indemnity from or recourse against Partnership assets by reason of any loss it may suffer by reason of such insurance) in an amount satisfactory to Special

Tax Counsel; (3) rehabilitation or operation of the Project shall have been enjoined by a final order (from which no further appeals are possible) of a court having jurisdiction and such injunction shall continue for a period of 90 days; (4) a casualty occurs resulting in destruction of 30% or more of the Project and the insurance proceeds (if any), are insufficient to restore the Project or the Project is not so restored within 24 months following such casualty; or (5) the Project shall become ineligible for 20% or more of the Federal Low Income Housing Tax Credits anticipated to be generated by the Project, calculated on the basis of the information set forth in the Investment Assumptions; or

- (iii) any of the Commitments is terminated, withdrawn or become unenforceable prior to Final Closing (except as a result of full performance thereof in accordance with its terms) and such Commitment is not reinstated (or replaced on terms at least as favorable to the Partnership as determined by the Special Limited Partner) within ninety (90) days, or any interest rate lock expires prior to Final Closing, or the Project qualifies for a Mortgage Loan amount that is insufficient to balance the Project's sources and uses unless such financing gap is funded by the General Partner; or
- (iv) the Partnership shall redeem any of the Bonds prior to the Completion Date and/or shall fail to achieve Fifty Percent Test Qualification prior to the end of the first year of the Credit Period; or
- (v) the Partnership fails to achieve the minimum set-aside test selected by the Partnership pursuant to Section 42(g) of the Code and/or fails to record the Extended Use Agreement in the appropriate filing office by December 31st of the first year of the Credit Period; or
- (vi) the Partnership shall not have received a properly completed and signed IRS Forms 8609 for each of the Buildings by the due date required by the Credit Authority (subject to all extensions), and such failure impairs the ability of the Investor Limited Partner to claim Tax Credits for the first year of the Credit Period.

If any such event shall occur, the General Partner shall give notice to the Investor Limited Partner of its right to cause the General Partner to purchase the Investor Limited Partner's Interest (such obligation being herein called a "Purchase Obligation" and such notice the "Purchase Obligation Notice") within 30 days after the occurrence of any event giving rise to such obligation. If the Investor Limited Partner elects to sell its Interest hereunder, it shall give the General Partner notice of such election (an "Election Notice") within 30 days after such Purchase Obligation Notice is received by it or, in the event that the General Partner fails to deliver the Purchase Obligation Notice, at any time after the occurrence of such event.

Within 45 business days after delivery of an Election Notice, the General Partner shall pay the Investor Limited Partner a purchase price (the "Purchase Price") in cash equal to (i) the sum of (a) the Investor Limited Partner's paid-in Capital Contributions *plus* (b) interest on the amounts described in clause (a) at 5% (calculated on a monthly basis and compounded annually) from the date of payment of the respective Installments thereof through the date of payment of the Purchase

Price *plus* (c) the reasonable direct expenses incurred by the Investor Limited Partner in connection with the initial acquisition of its Interest in the Partnership *plus* (d) the reasonable direct costs incurred by the Investor Limited Partner in enforcing its rights and collecting the sums due to it under this Section 5.3 *plus* (e) the amount of any interest or penalties payable in connection with any recapture of Federal Low Income Housing Tax Credits allocated to the Investor Limited Partner pursuant to this Agreement *less* (ii) the sum of (a) the amount of any Cash Flow theretofore distributed by the Partnership in respect of the Investor Limited Partner's Interest *plus* (b) the amount of any Federal Low Income Housing Tax Credits allocated to the Interest which will not be recaptured as a result of the disposition of said Interest or otherwise.

B. Upon the giving of its Election Notice, the Investor Limited Partner shall have no further obligations under this Agreement, and the General Partner shall indemnify and defend the Investor Limited Partner and hold it harmless against any such obligations. The General Partner shall take all action and shall pay all costs necessary to enable the Investor Limited Partner to receive and retain the Purchase Price as against any creditor of any General Partner or the Partnership. Notwithstanding the purchase by the General Partner of the Interest of the Investor Limited Partner, to the extent permitted under the applicable provisions of the Code, the Investor Limited Partner shall be allocated any profits or losses and tax credits in respect of said Interest for the period prior to the date of the receipt by the Investor Limited Partner of payment therefor. Anything herein to the contrary notwithstanding, title to the Interest of the Investor Limited Partner shall not vest in the General Partner until payment in full of the Purchase Price therefor. Upon such payment, the General Partner shall forthwith cause an amendment hereto and any other necessary papers to be executed, filed, recorded and published wherever required showing such substitution.

C. No agreement affecting the Project shall prevent the exercise by the Investor Limited Partner of its right to require the purchase by the General Partner of its Interest in the manner described in this Section 5.3.

D. The Investor Limited Partner may waive its right to have its Interest repurchased pursuant to any clause(s) of Section 5.3A at any time during which such right shall be in effect. Any such waiver shall be exercised by delivery to the General Partner of a written notice stating under which clause(s) of Section 5.3A it is waiving its right to have its Interest repurchased and that its rights thereunder are thereby irrevocably waived from that date forward.

E. Should the General Partner repurchase the Interest of the Investor Limited Partner pursuant to this Section 5.3, then the Special Limited Partner agrees to withdraw from the Partnership at the same time the Investor Limited Partner's withdrawal is effective.

Section 5.4 Redemption of Investor Limited Partner's Interest.

The Investor Limited Partner shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to require the Partnership to redeem the Interest of the Investor Limited Partner for a redemption price of \$100, and the Partnership shall promptly so redeem such Interest, following which the Investor Limited Partner will cease to be a Partner. Concurrently with the exercise of the foregoing right, the Partnership shall also be required to redeem the Interest of the Special Limited Partner for a redemption price

of \$10, following which the Special Limited Partner shall cease to be a Partner.

ARTICLE VI

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNERS

Section 6.1 Restrictions on Authority.

A. Notwithstanding any other provisions of this Agreement, the General Partner shall have no authority to perform any act in respect of the Partnership or the Project in violation of (i) any applicable law or regulation or (ii) any agreement between the Partnership and any Lender or Agency.

B. The General Partner shall have no authority to do any of the following acts without the Consent of the Investor Limited Partner and any Requisite Approvals:

- (i) to borrow money, incur indebtedness for money borrowed on the general credit of the Partnership (other than liabilities not in excess of \$10,000 which are in the approved budget prepared by the Management Agent in accordance with this Agreement), issue evidences of indebtedness or secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Property or any other assets of the Partnership, or
- (ii) following completion of rehabilitation of the Improvements, to construct any new capital improvements (including but not limited to the installation of solar panels or cellular tower facilities), or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Property, or
- (iii) to acquire any real property in addition to the Property (other than easements or similar rights necessary or convenient for the operation of the Project), or
- (iv) to cause the Partnership to make any loan or advance to any Person (for purposes of this clause 6.1B(iv), accounts receivable in the ordinary course of business from Persons other than the General Partner or its Affiliates shall not be deemed to be advances or loans), or
- (v) to lease any Low Income Unit to other than any individuals who certify that they are Qualified Tenants or otherwise operate the Project in such a manner or take any action which could cause any Low Income Unit to fail to be treated as a qualified low-income housing unit under Section 42(i)(3) of the Code or which would cause the recapture by the Partnership of any low-income housing credit under Section 42 of the Code, or
- (vi) after Investment Closing, to enter into any agreement with any Lender or Agency, or
- (vii) to materially amend any Project Document, or to waive or permit any party thereunder to waive, any provision of any material Project Document, or

- (viii) to prepay in whole or in part, increase, refinance, renew, recast, modify or extend any Mortgage Loan after Investment Closing; provided, however, that the Investor Limited Partner shall not unreasonably withhold its Consent for a refinancing of the Mortgage Loan within six (6) months of the maturity of such Mortgage Loan, or
- (ix) to sell or convey the Property or any substantial portion thereof, except that the General Partner may cause the Partnership to grant easements and similar rights affecting the Land to obtain utility services for the Project or for other purposes necessary or convenient for the operation of the Project, or
- (x) to cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any Person other than the Partnership, or
- (xi) to cause the Partnership to accept or receive any grant;
- (xii) to pledge or assign any of the Capital Contributions of the Investor Limited Partner or the proceeds thereof, or
- (xiii) to amend any of the Related Agreements, or
- (xiv) to permit the merger, termination or dissolution of the Partnership, or
- (xv) to dismiss the Accountants or to engage a new firm as Accountants, or
- (xvi) to approve any changes to the Plans and Specifications for the Project which would result individually in an overall development cost increase or decrease in excess of \$50,000 (provided, however, that any Consent of the Investor Limited Partner required under this clause (xvi) shall not be unreasonably withheld), or
- (xvii) to take any action which would cause the Property or any part thereof to be treated as tax exempt use property within the meaning of Section 168(h) of the Code, or
- (xviii) to approve any entering into, modification of, or termination of any hedge arrangement (e.g., a cap, collar, floor or swap) or any other similar product in connection with a financing that has a floating interest rate, or
- (xix) to file a lawsuit on behalf of the Partnership (other than lease enforcement, collection or other routine legal actions in the ordinary course of business of the Partnership), or
- (xx) to take any action that would subject any Limited Partner to liability for the debts

and obligations of the Partnership in any jurisdiction, or

- (xxi) to engage any sale or leasing agent or broker other than the approved Management Agent, or
- (xxii) to cancel or fail to renew the insurance coverages required under Exhibit 7, or
- (xxiii) to decide not to repair or rebuild in case of material damage to the Project, or any portion thereof, arising out of a casualty or condemnation, or
- (xxiv) to hire any employees for any purposes, or
- (xxv) to take any action outside of the ordinary course of business of the Partnership, or
- (xxvi) to execute any material agreements with any Agency.

Section 6.2 Partnership Audits; Tax Matters Partner and New Subchapter 63C

A. The General Partner is hereby designated as the “tax matters partner” (as described in Section 6231(a)(7) of the Code) for the Partnership, which designation shall remain in effect at all times prior to the effective date of the amendment to Subchapter 63C of the Code pursuant to the Bipartisan Budget Act of 2015, P.L. 114-74 (together with any subsequent amendments thereto, the “Budget Act”) unless otherwise agreed to by the Partners. Upon the Retirement of the Person serving as the TMP (the “Retired TMP”), the Partnership shall designate a successor TMP in accordance with Section 301.6231(a)(7)-1 of the Treasury Regulations or any successor Regulation, but such designee shall not become the TMP until the designation of such Person has been approved by Consent of the Investor Limited Partner. Such successor TMP shall notify the Service of its designation as such for such year as well as for all prior years for which the Retired TMP served in such capacity.

B. The TMP shall employ experienced tax counsel acceptable to the Investor Limited Partner to represent the Partnership in connection with any audit or investigation of the Partnership by the Service or other taxing authority, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Partnership expense and shall be paid by the Partnership. Such counsel shall be responsible for representing the Partnership; it shall be the responsibility of the General Partner and of the Investor Limited Partner, at their own expense, to employ tax counsel to represent their respective separate interests. In the event that the General Partner is not the TMP, the General Partner shall cooperate fully with the TMP and tax counsel in the conduct of any audit or tax contest.

C. The TMP shall keep the Partners reasonably informed of all administrative and judicial proceedings within the meaning of Section 6223(g) of the Code (prior to amendment of Subchapter 63C of the Code by the Budget Act), and shall furnish to each Partner a copy of each notice or other communication sent by the TMP or by Partnership tax counsel to the Service or other taxing authority or received by the TMP or by Partnership tax counsel from the Service or other taxing authority (except such notices or communications as are sent directly to such requesting Partner by the Service or other taxing authority or Partnership tax counsel) within five (5) calendar days after mailing by the TMP or receipt by the TMP (as applicable) of such notice

or communication and a written summary of the nature and substance of any conversation held with any representative of the Service or other taxing authority within five (5) calendar days of such conversation.

D. With respect to the Partnership, the TMP shall have no authority, without the Consent of the Investor Limited Partner, to (i) enter into a settlement agreement with the Service or other taxing authority which purports to bind Partners or the Partnership, (ii) file a petition for judicial review or readjustment, (iii) intervene in any action brought by any other Partner for judicial review of a final adjustment, (iv) file any request for administrative adjustment with the Service or other taxing authority at any time, (v) enter into an agreement extending the period of limitations for assessing any tax, (vi) file any amended tax returns, or (vii) take any other substantial action which would affect (directly or indirectly) the Investor Limited Partner.

E. Unless otherwise directed in writing to do so by the Investor Limited Partner, the Partnership shall not elect to have the provisions of the Budget Act apply to the Partnership before its general effective date. With respect to Partnership taxable years to which the provisions of Subchapter 63C of the Code (as amended by the Budget Act) apply, unless and until otherwise directed by the Investor Limited Partner, the General Partner shall constitute the “partnership representative” under Section 6223 of the Code (as in effect pursuant to the Budget Act) of the Partnership (the “Partnership Representative”), and the General Partner shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate itself the Partnership Representative of the Partnership. The Investor Limited Partner may elect to designate another Person to be the Partnership Representative at any time when: (i) the General Partner is in default under this Agreement which default has not been cured, (ii) the General Partner has committed a Material Default under this Agreement or any condition exists where the Investor Limited Partner could require the General Partner to repurchase its Interest pursuant to Section 5.3 of this Agreement, or (iii) there is an audit or investigation which, if decided adversely, would cause a loss of Tax Credits or Losses allocated or expected to be allocated to the Investor Limited Partner, in which event the General Partner and/or the Partnership Representative, as the case may be, shall take any and all action required to implement such designation; *provided, however*, if such Person is not a Partner, then such Person cannot be designated as the Partnership Representative until such time as such Person agrees in writing to be bound by the terms of this Section 6.2; and *provided, further*, that such Person designated as the Partnership Representative shall not take any actions on behalf of the Partnership in its capacity as Partnership Representative until the revocation or resignation of the prior Partnership Representative becomes effective under the Code or Treasury Regulations. To the extent that the Treasury Regulations require the Partnership Representative to designate an individual as the sole individual through whom the Partnership Representative will act for purposes of Subchapter 63C of the Code (as amended by the Budget Act), (i) the Partnership Representative shall not designate an individual to serve in such role until the designation of such individual has been approved by Consent of the Investor Limited Partner and (ii) before such designation, the Partnership Representative shall cause such individual to agree in writing to be bound by the terms of this Section 6.2. If an individual has been so designated, such individual shall be bound by the same obligations and restrictions imposed on the Partnership Representative hereunder.

F. The Partnership Representative shall be bound by the same obligations and restrictions imposed on the TMP under the Code and Treasury Regulations in effect before the

Budget Act amendment and under the terms of this Agreement and entitled to the same rights granted to the TMP under this Section 6.2. For the avoidance of doubt, the Partnership Representative acknowledges that its obligations and limitations under this Agreement, including, without limitation, its obligation to keep the Partners informed of all administrative and judicial proceedings under Section 6.2C and the limitations on its authority set forth in Section 6.2D, are based (in part) on the obligations and limitations that applied to the TMP under the Code prior to its amendment by the Budget Act and exceed its obligations and limitations set forth in Subchapter 63C of the Code as amended by the Budget Act, and agrees to perform its duties in accordance with this Section 6.2. In addition, the Partnership Representative shall timely raise any defense to any penalty, addition to tax or additional amount and shall timely request any imputed underpayment modification acceptable to the Investor Limited Partner. Upon the promulgation of additional Treasury Regulations implementing Subchapter 63C of the Code (as amended by the Budget Act), or upon further amendment of Subchapter 63C of the Code, the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 6.2, while conforming with the applicable provisions of the revised partnership audit procedures. The Partners agree to work together in good faith to make elections and amend this Agreement (if any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the TMP and Partnership Representative, and any action taken by the General Partner or other Partnership Representative pursuant to this Section, including any election permitted under the Budget Act or any similar election permitted under state or local law, shall be made only with the Consent or at the direction of the Investor Limited Partner. Notwithstanding anything to the contrary herein, the General Partner or other Partnership Representative shall make any election permitted under Subchapter 63C of the Code (as amended by the Budget Act) or any similar election permitted under state or local law to the extent it is directed to do so by the Investor Limited Partner and shall cooperate fully with the Investor Limited Partner to effectuate such election.

G. With respect to any federal, state or local income tax, if for any reason the Partnership is required to make a payment for any underpayment of tax or related interest or penalty as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith, and the obligation to make such payment will not be satisfied directly by the Partners or former Partners pursuant to an election under Section 6226 of the Code (as amended by the Budget Act), a modification permitted under Section 6225(c) of the Code (as amended by the Budget Act), or any similar election or modification permitted under the Code (as amended by the Budget Act) or state or local law, then each Partner shall pay to the Partnership an amount equal to that Partner's (or, to the extent that such Partner was not a partner in the Partnership with respect to the audited taxable year(s), its former Partner) proportionate share of such payment based on the amount each Partner (or its former Partner) should have borne (computed at the tax rate used to compute Partnership's imputed underpayment) had the Partnership's tax return for such audited taxable year(s) reflected the partnership adjustment. For the avoidance of doubt, nothing in this Section 6.2G modifies or waives any other obligation of the General Partner under this Agreement including, without limitation, the obligation of the General Partner to make Tax Credit Shortfall Payments under Section 5.2 whether the liability is assessed to the Partnership or the Partners (or former Partners) to whom the Federal Low Income Housing Tax Credits were allocated.

H. If for any reason the Partnership receives any amounts from the Service or other taxing authority with respect to a net positive adjustment as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith, then the Partnership shall distribute to each Partner a proportionate share of such amount, as adjusted to account for any other partnership adjustments with respect to the audited taxable year(s), based on the amount each Partner (or, to the extent that such Partner was not a partner in the Partnership with respect to the taxable year to which the net positive adjustment relates, its predecessor) should have received (taking into account any adjustments under Subchapter 63C of the Code, as amended by the Budget Act) had the Partnership's tax return for such audited taxable year(s) reflected the net positive adjustment and any other partnership adjustments with respect to the Partnership for the audited taxable year(s).

I. To the extent of available funds, the Partnership shall indemnify the TMP or Partnership Representative (as applicable) against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the TMP or Partnership Representative in its capacity as the TMP or Partnership Representative, and not its capacity as a Partner or a former Partner, in connection with any audit or administrative or judicial proceeding in which the TMP or Partnership Representative is involved solely by reason of being the TMP or Partnership Representative of the Partnership, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the TMP or Partnership Representative (as applicable) and were the result of a course of conduct which such TMP or Partnership Representative (as applicable), in good faith, reasonably believed to be in the best interests of the Partnership or its Partners and within the scope of its authority under this Section 6.2.

J. The relationship of each of the TMP and the Partnership Representative to the Investor Limited Partner is that of a fiduciary, and each of the TMP and Partnership Representative acknowledges its fiduciary obligation to perform its duties in such manner as will serve the best interests of the Partnership and the Investor Limited Partner. The obligations of the Partners and former Partners under this Section 6.2 shall survive the termination of this Agreement or such former Partner's status as a Partner.

Section 6.3 Business Management and Control; Designation of General Partner; Certain Rights of the Limited Partners; Independent Activities.

A. The General Partner shall have the exclusive right to manage the business of the Partnership in accordance with this Agreement. No Limited Partner shall have any authority or right to act for or bind the Partnership.

B. Subject to the provisions of Section 6.1 and the other limitations set forth herein, the General Partner is hereby authorized to execute and deliver in the name and on behalf of the Partnership all such documents and papers (including any required by any Lender or Agency) as the General Partner deems necessary or desirable in carrying out its duties hereunder. In the event there shall be more than one General Partner, the powers of the General Partners hereunder shall be exercised by the majority-in-interest of the General Partners except as expressly provided to the contrary herein. A designation of a successor General Partner or the designation of an additional General Partner pursuant to Sections 6.3C or 7.7 shall supersede any designation or other exercise

of rights pursuant to this Section 6.3B.

C. In the event that (i) the Partnership is in material default of any of its obligations under one or more of the Project Documents, which default has resulted in a default of the Mortgage Loan and in the reasonable judgment of the Special Limited Partner, is likely to result in a foreclosure of any Mortgage Loan, (ii) any General Partner, Developer or Guarantor is in default in any material respect under this Agreement or any of the Related Agreements, (iii) a Recapture Event shall have occurred, (iv) the Partnership shall be incurring operating deficits in excess of Negative Cash Flow Loans or Voluntary Loans made with respect thereto, (v) the General Partner shall Retire, (vi) the Special Limited Partner serves written notice of removal on one or more General Partners pursuant to Section 7.7, (vii) an Event of Bankruptcy shall have occurred as to a General Partner, Developer or Guarantor, or (viii) a General Partner or a Designated Affiliate shall have committed fraud or breach of fiduciary duty, the Special Limited Partner may, at its election, give notice of such default or event to the then General Partners, if any, and, (1) (in the case of a default) if such default is not cured within 30 calendar days (or cured within a reasonable time in the event it is impossible to cure such default within such 30-day period, provided that the General Partners are diligently and in good faith seeking to cure such default and there has been no assignment of or institution of proceedings to foreclose any Mortgage Loan), (2) (in the case of unfunded Project Expenses) if such Project Expenses are not funded within 10 business days by Negative Cash Flow Loans or Voluntary Loans of the General Partners or their Affiliates (as applicable) or (3) (in the event of such Retirement, Recapture Event, Event of Bankruptcy, fraud, or breach of fiduciary duty) promptly after the occurrence of such event, the Special Limited Partner or its designee may elect to become an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner or its designee, the Special Limited Partner or its designee shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing. If the Special Limited Partner or its designee shall become an additional General Partner as herein stated, and if there are then any other General Partners, the Special Limited Partner or its designee (as applicable) shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners, and the rights and authority of the remaining General Partners shall be deemed equally divided among them.

D. Any Partner may engage in other business ventures of every nature and description, including without limitation the ownership, operation, management, and development of real estate which competes with the Project. Neither the Partnership nor any Partner shall have any rights by reason of this Agreement in and to such other ventures. Notwithstanding the foregoing, in the event the General Partner, the Developer, the Guarantor or their respective Affiliates desires to manage, own (of record or beneficially, directly or indirectly) an interest in, develop, construction, rehabilitate or otherwise participate in any low income or affordable housing project or other rental housing project that (i) is located on the Land or land that is adjacent to or contiguous to the Land and (ii) reasonably would be considered a subsequent phase of the Project, then such Person(s) must first obtain the prior written approval of the Investor Limited Partner.

Section 6.4 Duties and Obligations of the General Partners.

A. The General Partner shall use their best efforts to carry out the purposes of the Partnership, and shall devote to Partnership business such time and effort as may be necessary to (i) arrange for the acquisition of the Land; (ii) prepare all applications and conduct such other activities as shall be necessary to cause the Project to qualify for low-income housing credits; (iii) arrange for mortgage and equity financing for the Project; (iv) supervise the activities of the Management Agent; (v) make inspections of the Project to determine if the Project is being properly maintained; (vi) prepare or cause to be prepared all reports of operations which are to be furnished to the Partners, any Lender or Agency; (vii) elect to defer the commencement of the Credit Period for all or any portion of the Federal Low Income Housing Tax Credits allowable to the Partners under Section 42(g) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Limited Partner; and (viii) cause the Partnership to obtain the insurance coverages described in the provisions of Section 6.4B. The undertaking of the General Partner to perform the activities described in clauses (i) through (iii) of the foregoing sentence shall constitute consideration for the Interest of the General Partner in the Partnership.

B. The General Partner shall cause the Project to be insured in accordance the requirements set forth in **Exhibit 7** and shall cause the Partnership to obtain and maintain such other coverage as may be required from time to time by any Lender under the Mortgage Loan Documents or as may be reasonably required from time to time by the Limited Partners in order to comply with regular requirements and customary practices of the Limited Partners. The General Partner shall review regularly all of the insurance coverages to insure that all such policies are in effect and in compliance with the terms of this Agreement and the Mortgage Loan Documents. From time to time following Investment Closing, the General Partner shall deliver to the Special Limited Partner such further certificates or memoranda of insurance as the Special Limited Partner may reasonably require to confirm that such insurance and notice provisions with respect to insurance under this Agreement have been complied with.

C. The General Partner shall timely execute and record in the appropriate filing office an Extended Use Agreement. The General Partner shall hold for occupancy such percentage of the dwellings in the Project in such a manner as to qualify the entire Project as a qualified low income housing project under Section 42(g) of the Code as interpreted from time to time in regulations and rulings promulgated thereunder. The General Partner shall not take any action which would cause the termination or discontinuance of the qualification of the Project as a “qualified low income housing project” under Section 42(g) of the Code or which would cause the recapture of any Federal Low Income Housing Tax Credits without the Consent of the Investor Limited Partner.

D. The General Partner shall prepare and submit to the Secretary of the Treasury, the Credit Authority and/or any other Agency designated for such purpose, on a timely basis, any and all annual reports, information returns and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for the low-income housing credit described in Section 42 of the Code for all Low Income Units and (ii) unless the Consent of the Investor Limited Partner is received to act otherwise in a particular instance, to avoid recapture of such credit for failure to comply with the requirements of Section 42 of the Code.

E. The General Partner agrees that neither it nor any Related Person will at any time

bear the Economic Risk of Loss for payment of principal or interest on any Mortgage Loan from and after Final Closing (excluding non-recourse carve-outs in the Mortgage Loan Documents related to situations involving fraud, willful misrepresentation, misappropriation of funds and other similar exceptions that are standard in transactions of this type and that are solely enforceable against the Partnership and the General Partner). The General Partner agrees that it will not cause any Limited Partner at any time to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document, and each Limited Partner agrees not to take any action which would cause it to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document.

F. The General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in their immediate possession or control. The General Partner shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership. No General Partner shall contract away the fiduciary duty owed at common law to the Limited Partners.

G. The General Partner shall (i) not store (except in compliance with applicable Hazardous Waste Laws) or dispose of any Hazardous Material at the Project; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Material to, at or from the Project (except in compliance with applicable Hazardous Waste Laws); (iii) provide the Limited Partners with written notice (x) upon any General Partner's obtaining actual knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Project; (y) upon any General Partner's receipt of any notice to such effect from any Federal, state, or other governmental authority; and (z) upon any General Partner's obtaining actual knowledge of any incurrence of any expense or loss by any such governmental authority in connection with the assessment, containment, or removal of any Hazardous Material for which expense or loss any General Partner may be liable or for which expense or loss a lien may be imposed on the Project.

H. In the event that the Investor Limited Partner shall give notice to the General Partner that in the reasonable judgment of the Investor Limited Partner depreciation deductions will no longer be allocated to the Investor Limited Partner as a result of the treatment of any Mortgage Loan or the Deferred Development Fee Note or any other Partnership indebtedness as recourse or Partner Non-Recourse Debt ("Related Party Financing"), then the General Partner shall take all such action as may be necessary to assure that any outstanding balance of such Related Party Financing shall constitute a Partnership Non-Recourse Liability and the Investor Limited Partner shall give its Consent to allow the General Partner to take all necessary action, provided such action does not have any negative tax consequences for the Partnership or the Investor Limited Partner.

I. At any time after the expiration of the "Option Period" as such term is defined in the Purchase Option Agreement, the Investor Limited Partner shall have the right (the "Put Right"), exercised by giving written notice to the General Partner, to require the General Partner to redeem the Interest of the Investor Limited Partner for a redemption price equal to the fair market value of such Interest as determined by an appraiser which appraiser shall be selected in accordance with the Purchase Option Agreement (the "Put Price"), and following the payment of the Put Price the Investor Limited Partner will cease to be a Partner. Concurrently with the payment of the Put Price, the General Partner shall also be required to redeem the Interest of the Special Limited

Partner for a redemption price of \$10, following which the Special Limited Partner shall cease to be a Partner. In the event that the Investor Limited Partner exercises its Put Right and the General Partner fails to pay the Put Price within thirty (30) days of the appraiser determining the Put Price, then upon the request of the Investor Limited Partner the General Partner shall use its best efforts to sell the Project on terms acceptable to the Investor Limited Partner. In furtherance of the foregoing, the General Partner shall (as directed by the Investor Limited Partner) submit a written request to the Credit Authority to find a Person to acquire the Partnership's interest in the Project, and/or take such other action permitted or required by the Code as the Investor Limited Partner may reasonably request to effect a sale of the Project or to terminate the extended use commitment of Section 42(h)(6)(B) of the Code (to the extent allowed by the Credit Authority). Any proposal either from the Credit Authority or from another buyer of the Project which is acceptable to the Investor Limited Partner shall be accepted by the Partnership.

J. The General Partner shall make a Special Capital Contribution to the Partnership as required from time to time to fund Tax Credit Litigation Expenses to the extent the Partnership does not have sufficient Operating Revenues to pay all such Tax Credit Litigation Expenses. The General Partner shall apply the proceeds of such Special Capital Contribution to the payment of such expenses within thirty (30) days of the date such expenses are billed to the Partnership.

K. The General Partner shall cause the Partnership to engage, at the Partnership's expense, an "oversight manager" acceptable to the Investor Limited Partner to supervise and periodically audit the tenant files as well as the tax credit compliance procedures, practices and performance of the Management Agent prior to and during the Compliance Period. After the initial compliance audit, subsequent compliance audits shall only be conducted if the Investor Limited Partner shall reasonably believe that tenant income verification is not being conducted or tenant files are not being maintained in accordance with the requirements of Section 42 of the Code and the Treasury regulations thereunder.

L. The General Partner, with the advice and Consent of the Investor Limited Partner, shall take such actions as may be necessary (including giving effect to applicable provisions of the Development Agreement) to insure that 50% or more of the aggregate basis of each of the Buildings (including site improvements) and the Land attributable thereto is financed with an obligation the interest on which is exempt from tax under Section 103 of the Code and which is within the Project State's volume cap as provided under Section 146 of the Code.

M. The General Partner shall cause the Investor Limited Partner to promptly receive a copy of every written communication from (i) the Credit Authority (or other Agency), the Lender, or the Service to the Partnership (or to the General Partner on behalf of the Partnership), and (ii) the Partnership (or the General Partner on behalf of the Partnership) to the Credit Authority (or other Agency), the Lender, or the Service. Each such copy shall be sent to the Investor Limited Partner at its address set forth in **Schedule A**.

N. The General Partner shall be solely responsible for the following:

(A) analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state;

- (B) arranging for the acquisition of the Land;
- (C) analyzing a site's economy and forecasting future growth potential;
- (D) determining the site's zoning status and possible rezoning strategies;
- (E) contacting local government officials concerning access to utilities, public transportation and local ordinances;
- (F) performing environmental tests;
- (G) processing necessary documentation with the Credit Authority in connection with the Federal Low Income Housing Tax Credits;
- (H) arranging the permanent mortgage financing for the Project; and
- (I) arranging for the admission to the Partnership of the Limited Partners.

O. In the event the General Partner shall fail to make any payment required pursuant to this Agreement, including without limitation, any payment required under Section 6.4J, within ten (10) days after demand by the Investor Limited Partner, then, in addition to any other remedies at law or in equity which may be available to the Investor Limited Partner, the General Partner shall be obligated to cause the Partnership to utilize amounts (the "Applied Amounts") otherwise payable to the General Partner or any Affiliate thereof (including, without limitation, the Developer and/or the Management Agent, if they are an Affiliate of the General Partner) under this Agreement, the Development Agreement, and/or the Management Agreement, to satisfy the obligations of the General Partner pursuant to this Agreement, with such utilization of Applied Amounts constituting payment and satisfaction of the corresponding amounts payable to the General Partner or any Affiliate thereof under this Agreement, the Development Agreement and/or the Management Agreement, and the obligation of the Partnership to make payments to the General Partner and/or its Affiliates pursuant to this Agreement, the Development Agreement, and/or the Management Agreement shall be deemed satisfied to the extent thereof. Each of the General Partner, the Management Agent, and the Developer covenants and agrees that the General Partner, the Developer and/or the Management Agent will recognize as income any Applied Amounts for federal and state income tax purposes.

Section 6.5 Representations and Warranties; Certain Indemnities.

A. The General Partner hereby represents and warrants to the Investor Limited Partner that the following are true as of the date hereof, will be true on the due date for payment of each Installment, and will be true at all times hereafter:

- (i) The Partnership is a duly organized limited partnership validly existing and in good standing under the laws of the State of Formation and has complied with all recording requirements with each proper Agency necessary to establish the limited liability of the Limited Partners as provided herein and is duly qualified as a foreign limited partnership to do business in the Project State.

- (ii) No litigation or proceeding against the Partnership, General Partner, Builder, Guarantor or Developer, nor any other litigation or proceeding directly affecting the Project, is pending before any court, administrative agency or other governmental authority which would, if adversely determined, have a material adverse effect on the Partnership, the General Partner, the Builder, the Guarantor, the Developer or their respective businesses or operations, except for such matters as to which the likelihood of such a determination adverse to the Partnership is, in the opinion of counsel acceptable to the Investor Limited Partner, remote. No action, suit or proceeding is pending or, to the General Partner's knowledge, threatened against the General Partner, the Guarantor, the Developer, any Affiliate(s) of the foregoing, or the Partnership relating to any Anti-Corruption Laws.
- (iii)
 - (a) No default by any General Partner, any Affiliate thereof having any relationship with the Project, or the Partnership, in any material respect has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any of the Project Documents.
 - (b) To the General Partner's knowledge, the Project Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms).
 - (c) All accounts and reserves are fully funded to the extent currently required by the Project Documents and this Agreement.
 - (d) No failure or refusal of the Lender to make any advance required under the Mortgage Loan Documents has occurred and is continuing.
 - (e) All payments have been timely made to all contractors and surveyors, and all materials and supplies for the Project have been paid for in a timely manner.
- (iv) All building, zoning and other applicable certificates, permits and licenses necessary to permit the construction, rehabilitation, repair, use, occupancy and operation of the Project have been obtained (other than prior to completion of the Project or a specified portion thereof, in which case such certificates, permits and licenses will be obtained in due course upon completion of the Project or such specified portion thereof) and neither the Partnership nor the General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any governmental authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction.
- (v) The Partnership owns the fee simple title to the Property and has good and marketable title thereto, free and clear of any liens, charges or encumbrances other

than the Mortgages, matters set forth in the Title Policy delivered at Investment Closing, encumbrances the Partnership is permitted to create under Sections 2.4 and 6.1B, and mechanics' or other liens which have been bonded or insured against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Partnership for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy delivered at Investment Closing has or will have a material adverse effect upon the rehabilitation or operation of the Project.

- (vi) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Property by any General Partner or Affiliate thereof which is an Entity have been or will be duly authorized by all necessary corporate or other applicable action; there has been no violation by the General Partner or any of its Affiliates of the Anti-Corruption Laws in connection with the execution and delivery of all such documents and instruments; and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter, by-laws or other organizational and/or governing documents of any such Entity or any agreement by which any such Entity or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree. Each such Entity is duly organized and validly existing under the law of the state of its organization.
- (vii) No default in any material respect has occurred and is continuing in the observance or performance of any provision of this Agreement to be observed or performed by the General Partner.
- (viii) The Related Agreements are in full force and effect and no default in any material respect by any party thereto (other than the Investor Limited Partner, Special Limited Partner, or their Affiliates) has occurred or is continuing thereunder (nor has there occurred any event which, with the giving of notice or the passage of time, or both, would constitute such a default in any material respect thereunder).
- (ix) No Retirement of a General Partner has occurred, and no Event of Bankruptcy has occurred and is continuing with respect to the Partnership, the General Partner, the Guarantor, the Developer or the Builder.
- (x) On and after the last day of the first year of the Credit Period of the Project, the entire Project will qualify, and shall continue to qualify thereafter, as a "qualified low-income housing project" under Section 42(g) of the Code with the Low Income Units in the Project being both "rent-restricted" (within the meaning of Section 42(g)(2) of the Code) and occupied by individuals whose income is sixty percent (60%) or less of the area median income, and all Low Income Units will qualify, and shall continue to qualify thereafter, as "low income" apartment units under Section 42 of the Code. In addition, not less than 100% of the Low Income Units shall be rented to Qualified Tenants whose income is sixty percent (60%) or less of area median income. 100% of the Low-Income Units will comply, and shall

continue to comply with all requirements of the HAP Contract and 24 CFR part 983.

- (xi) The Cost Certification and all tax returns, financial statements, Schedules K-1 and other reports due under Article XII have been properly delivered, filed and/or transmitted, as applicable.
- (xii) No General Partner, Affiliate of a General Partner or Person for whose conduct any General Partner is or was responsible has ever: (i) directly or indirectly transported, or arranged for transport, of any Hazardous Material to, at or from the Land (except if such transport was or is at all times in compliance with applicable Hazardous Waste Laws); (ii) caused or was legally responsible for any release or threat of release of any Hazardous Material at the Land; (iii) received notification from any Federal, state or other governmental authority of (x) any potential, known, or threat of release of any Hazardous Material from the Land; or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material to, at or from the Land.
- (xiii) To the best of the General Partner's knowledge, no Hazardous Material was ever or is now stored on, transported or disposed of on the Land (except to the extent any such storage, transport or disposition was at all times in compliance with all Hazardous Waste Laws).
- (xiv) [Intentionally Omitted].
- (xv) No Partner or Related Person bears the Economic Risk of Loss with respect to the indebtedness evidenced by any Note and secured by any Mortgage except as permitted by Section 6.4E.
- (xvi) The General Partner shall cause the Partnership to take all actions necessary to receive a properly completed and signed IRS Forms 8609 for each of the Buildings so as to allow the Partnership to properly claim Federal Low Income Housing Tax Credits in accordance with the Investment Assumptions.
- (xvii) The General Partner and its Affiliates are in compliance with Anti-Corruption Laws.
- (xviii) No General Partner, Designated Affiliate, or shareholder, officer, director or manager of a General Partner has ever (i) been convicted of any fiduciary or monetary crime; (ii) had a judgment entered against them for fraud, willful misconduct or breach of fiduciary duty; or (iii) been sanctioned by HUD, the Securities and Exchange Commission or any other governmental authority.
- (xix) Neither the General Partner nor any of its controlling principals is on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury. None of the funds of General Partner have been or will be derived from any unlawful activity with the result that the investment of

direct or indirect equity owners in General Partner are prohibited by any applicable laws, statutes, codes, ordinances, or governmental rules, regulations or requirements, or judicial or administrative rules, orders or decrees or that this Agreement or the transactions contemplated hereby are or will be in violation of any applicable laws, statutes, codes, ordinances, or governmental rules, regulations or requirements, or judicial or administrative rules, orders or decrees, and the General Partner has and will continue to implement procedures, and has consistently and will continue to consistently apply those procedures, to ensure the foregoing remains true and correct at all times during the term of this Agreement.

- (xx) No employees shall be engaged by the Partnership.
- (xxi) The General Partner shall request annually any upward adjustment to the rental assistance payments as may be permitted under the HAP Contract. If the initial term of the HAP Contract does not extend through the termination of the Compliance Period, the General Partner shall also diligently undertake efforts to secure the renewal of the HAP Contract through the Compliance Period. In furtherance of the foregoing, if necessary, the General Partner, on behalf of the Partnership, shall enter into an extension of the HAP Contract at the expiration of its initial term so that it continues in full force and effect through the Compliance Period, unless otherwise Consented to by the Special Limited Partner in its sole discretion;
- (xxii) The General Partner shall take all actions necessary to ensure that the Low-Income Units comply with all applicable HUD requirements. The General Partner shall additionally use its best efforts to cause the Project to comply with Housing Quality Standards, as determined by the Agency, on the Low-Income Units throughout the term of the HAP Contract. The General Partner shall use its best efforts to maintain and preserve the HAP Contract throughout the Compliance Period and to seek out additional rental subsidies that may be available.
- (xxiii) Neither the Partnership nor the Project is in violation of any Relocation Laws. Neither the General Partner nor the Partnership has received any notice from any governmental agency that the Partnership 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 General Partner's knowledge, the Partner 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.
- (xxiv) The General Partner shall cause the Partnership to elect to be an Electing Real Property Trade or Business as such term is defined in Section 163(j) of the Code. The General Partner shall not opt out of any available bonus depreciation except with the Consent of the Investor Limited Partner.
- (xxv) All of the representations and warranties made by the General Partner and the

Guarantor in the Closing Certificate delivered to the Limited Partners on or about the date hereof are true and correct in all material respects.

Section 6.6 Indemnification

A. The General Partner (including any Retired General Partner) shall be indemnified, defended and held harmless by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Partnership, *provided that* the same were not the result of gross negligence or willful misconduct on the part of the General Partner or any of its Designated Affiliates and were the result of a course of conduct which such General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this Section 6.6A shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof; *provided, however,* that no indemnification shall be provided for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves indemnification of litigation costs; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves indemnification of litigation costs; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made. In any claim for indemnification in connection with a settlement which was so approved, the party seeking indemnification shall place before the court the position of the Securities and Exchange Commission and any state securities administrator whose rules or published policies require such disclosure with respect to the issue of indemnification for securities laws violations.

B. The Partnership shall not incur the cost of that portion of any insurance which insures any party against any liability as to which such party is herein prohibited from being indemnified.

C. The General Partner agrees to promptly indemnify, defend and hold harmless the Partnership and the Limited Partners from and against any and all claims, losses, damages, costs, expenses and liabilities which the Partnership and the Limited Partners may incur by reason of any liabilities to which either the Partnership or the Project is subject at the Investment Closing; *provided, however,* that the foregoing indemnification shall not apply to any Mortgage, necessary contractual obligations normally incurred in connection with the Property, or to acts for which such General Partner is entitled to indemnification under Section 6.6A or to any claim, losses, damages, costs expenses and liabilities which are caused solely by the gross negligence or willful misconduct of the Limited Partners.

D. The General Partner agrees to promptly indemnify, defend, and hold harmless the Partnership and the Limited Partners from and against any claims, losses, damages, costs, expenses or liabilities which the Partnership and the Limited Partners may incur on account of the presence or escape of any Hazardous Material at or from the Property (or at any other location affecting the Property). Any such claims, losses, damages, costs, expenses or liabilities may be defended, compromised, settled, or pursued by the Limited Partners with counsel of the Limited Partners' selection, but at the expense of the General Partner. The foregoing indemnification shall be a

recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the removal, bankruptcy or withdrawal of the General Partner with respect to any claims arising with respect to conditions that existed and/or events that occurred prior to such removal, bankruptcy or withdrawal.

E. The General Partner shall defend, indemnify and hold harmless the Partnership and the Limited Partners from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner's or any Designated Affiliate's gross negligence, willful misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation any breach by the General Partner or any Designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the removal, bankruptcy or withdrawal of the General Partner with respect to any claims arising with respect to conditions that existed and/or events that occurred prior to such removal, bankruptcy or withdrawal.

F. Each Limited Partner shall be indemnified by the Partnership against any third-party claims or costs sustained or incurred by it in connection with its involvement in the Partnership, *provided that* the same were not the result of any improper action or omission on the part of such Limited Partner or any Affiliate thereof; and *provided, further*, that the General Partner shall be primarily and concurrently liable for any matter within the ambit of both Sections 6.6E and 6.6F.

Section 6.7 Obligation to Complete Construction and Pay Development Costs.

The General Partner shall use its best efforts in representing the Investor Limited Partner during the course of construction of the Project and in the administration of the Construction Contract by (1) providing adequate on-site representation at regularly scheduled meetings and at intervals commensurate with the on-site construction activities, (2) actively enforcing the terms of performance specified in the Construction Contract, (3) providing the Investor Limited Partner with timely notice of any issues of non-compliance by the Builder, and (4) acting as necessary in the interest of the Investor Limited Partner to ensure that construction of the Project will be completed as originally contemplated. The General Partner shall (i) cause the construction of the Improvements or cause the same to be completed by March 31, 2020 (or such earlier date as may be required by any Lender or Agency) in a good and workmanlike manner, free and clear of all defects and mechanics', materialmen's or similar liens, and shall equip the Improvements or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Project Documents and the drawings and specifications forming a part of the construction contract and (ii) cause the Partnership to satisfy all requirements necessary to achieve Final Closing in accordance with the Project Documents. If the Designated Proceeds as available from time to time are insufficient to pay all Development Costs, the General Partner (jointly and severally with the Developer) shall advance or cause to be advanced to the Partnership from time to time as needed all such funds as are required to pay such deficiencies. Any such advances ("Development Advances") shall, to the

extent permitted under the Project Documents and any applicable Regulations or requirements of the Lender and the Agency (or otherwise with any Requisite Approvals), be reimbursed only out of Designated Proceeds available from time to time after payment of all Development Costs. Any Development Advance(s) that are not reimbursed to the General Partner through payment of the Fourth Installment (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) shall not be reimbursable, shall not be credited to the Capital Account of the General Partner, or otherwise change the Interest of any Partner in the Partnership, but shall be borne by the General Partner under the terms of this Agreement. In lieu of funding Development Advances hereunder, the Developer may defer unpaid portions of the Development Fee to satisfy such Development Advances provided and on the condition that such amounts should be repaid from Cash Flow by the fifteenth (15th) anniversary of the Completion Date and that any losses (and corresponding Tax Credits) projected to be allocated to the Investor Limited Partner during the Compliance Period should not be reallocated to another Partner as a result of the application of Section 704(b) of the Code and the Treasury Regulations thereunder.

Section 6.8 Obligation to Provide for Project Expenses.

The General Partner agrees that if the Partnership requires funds to pay Project Expenses, it shall furnish to the Partnership the funds so required during or in respect of the period commencing on the Admission Date and ending on December 31st of the year in which the fifth anniversary of the date of payment of the Fifth Installment occurs provided that the Partnership has achieved a Debt Service Coverage Ratio of not less than 115% for the most recent fiscal year of the Partnership based on audited financial statements reasonably acceptable to the Investor Limited Partner (the “Operating Deficit Obligation Period”). The General Partner shall furnish to the Partnership the funds required at the time such Project Expenses are due and payable. Amounts so furnished to fund Project Expenses incurred prior to the due date for payment of the Fifth Installment shall be deemed Special Capital Contributions; amounts so furnished to fund Project Expenses incurred on or after the due date for payment of the Fifth Installment shall constitute Negative Cash Flow Loans. Any such Negative Cash Flow Loans shall be repayable only as provided in Article X. Notwithstanding the foregoing, (i) prior to the due date for payment of the Fifth Installment, the General Partner’s obligation to make Negative Cash Flow Loans under this Section 6.8 shall be unlimited, (ii) from and after the due date for payment of the Fifth Installment, the General Partner shall not be obligated to make Negative Cash Flow Loans under this Section 6.8 to the extent that the outstanding aggregate principal amount of such loans would exceed \$786,017 outstanding at any one time (the “Maximum Operating Deficit Obligation”), and (iii) upon expiration of the Operating Deficit Obligation Period and, to the extent any funds have been withdrawn from the Operating Reserve prior to such time, replenishment of the Operating Reserve up to the Minimum Operating Reserve Amount, the General Partner shall be automatically released from its obligation to fund Negative Cash Flow Loans under this Section 6.8.

Section 6.9 Certain Payments to Partners and Affiliates.

A. For its services in connection with the development of the Property and the supervision to completion of the rehabilitation of the Improvements, the Developer shall be entitled to receive the amounts set forth in the Development Agreement.

B. The Partnership shall pay to the General Partner the Supervisory Management Fee for management supervision services as described in the Supervisory Management Agreement. Such fee (which, when combined with any Management Fee paid to an Affiliate of the General Partner, shall in no event exceed 12% of Operating Revenues) shall be payable in accordance with the provisions of the Supervisory Management Agreement.

C. The Partnership shall pay to the Investor Limited Partner (or its designee) an Asset Management Fee for its services in evaluating the operation of the Project, communicating with and advising the Limited Partners as to the status of the Project and their investment in the Partnership, reviewing the Partnership's tax returns and financial statements on behalf of the Limited Partners and evaluating and monitoring, on behalf of all Limited Partners, the compliance by the General Partner, the Management Agent, the Developer and the Guarantor with the terms of the Partnership Agreement and Related Agreements. The Asset Management Fee shall initially be equal to \$3,800 per annum and shall increase annually by three percent (3.00%) per annum. The Asset Management Fee shall be due and payable within 30 days after the end of each calendar year (together with any accrued and unpaid Asset Management Fees with respect to prior calendar years) to the extent cash is available as provided in Section 10.1A or from the proceeds of a Capital Transaction as provided in Section 10.1B. Any unpaid Asset Management Fee in any fiscal year shall accrue and be paid from future years' Cash Flow or Capital Transaction proceeds.

D. All of the Partnership's expenses shall be billed directly to, and paid by, the Partnership to the extent practicable. Subject to the terms of this Agreement, reimbursements to a General Partner or any of its Affiliates by the Partnership shall be allowed subject to the following conditions:

- (i) such goods or services must be necessary or appropriate for the prudent formation, development, organization or operation of the Partnership;
- (ii) reimbursement for goods or services provided by Persons who are not affiliated with a General Partner shall not exceed the cost to a General Partner or its Affiliates of obtaining such goods or services; and
- (iii) reimbursement for goods and services obtained directly from a General Partner or its Affiliates shall not exceed the amount the Partnership would be required to pay independent parties for comparable goods and services in the same geographic location and shall not include reimbursement for the general overhead of the General Partner or its Affiliates (including salaries and benefits of employees thereof).

E. Fees payable by the Partnership to the General Partner and its Affiliates, as set forth herein or the other Project Documents, are reasonable and ordinary and customary in nature for the services to be provided, reflect the value of the services to which the fees relate, and are consistent with those paid in other similar projects of which the General Partner and its Affiliates have knowledge. Such fees have been or will be disclosed to the Credit Authority for the purpose of the determination by the Credit Authority of the financial feasibility and viability of the Property pursuant to Section 42(m)(2) of the Code. Neither the General Partner nor any of its Affiliates shall be entitled to any compensation, fees or profits from the Partnership in connection with the

acquisition, rehabilitation, development or rent-up of the Land or Improvements or for the administration of the Partnership's business or otherwise, except for (i) payments provided for or referred to in Section 6.9, (ii) payments of the Development Fee, and the Management Fee, (iii) fees and distributions under Article X, and (iii) such other fees and distributions as may be permitted to be paid by any relevant Lender or Agency out of the proceeds of any Mortgage Loan.

Section 6.10 Reserve Accounts

A. The General Partner shall establish a reserve account for capital replacements (the "Capital Replacement Reserve"), which account shall be funded by monthly deposits equal to \$1,919 (which amount equals \$303 per unit per year), or such greater amount as shall be required by the Lender. The Capital Replacement Reserve shall be established and maintained in an account controlled by the Funding Lender. Withdrawals from such reserve shall be utilized solely to fund capital repairs and improvements deemed necessary by the General Partner.

B. The General Partner shall cause the Partnership to establish and maintain a reserve account for operating deficits or other uses as may be directed by the Special Limited Partner (the "Operating Reserve") in the amount of \$195,914 (the "Minimum Operating Reserve Amount"), which account shall be funded, from the proceeds of the Fifth Installment; provided, however, that if for any reason such proceeds shall be insufficient to fully fund the Operating Reserve at each such time, the General Partner shall promptly fund any such shortfall. The Investor Limited Partner may make a deposit directly to such account from the proceeds of the Fifth Installment (which amount shall be deemed to have been paid first by the Investor Limited Partner as a Capital Contribution to the Partnership and then by the Partnership to the Operating Reserve in satisfaction of its obligations under this Section 6.10B). The Operating Reserve shall be used to fund operating deficits to the extent the Partnership has insufficient Operating Revenue to pay all Project Expenses. The General Partner shall not make any payments from the Operating Reserve without the Consent of the Special Limited Partner. Any withdrawals from the Operating Reserve shall be replenished from available Cash Flow in accordance with the provisions of Section 10.1A. The Operating Reserve shall be established and maintained in an account controlled by the Bank. Any funds remaining in the Operating Reserve upon expiration of the 15-year Compliance Period shall be released and applied as Cash Flow in accordance with the provisions of Article X.

C. The General Partner will cause the Partnership to fund all escrow and reserve accounts required under the Mortgage Loan Documents including, without limitation, for payment of real estate taxes and insurance premiums.

Section 6.11 Joint and Several Obligations. In the event there is more than one (1) General Partner, all obligations of the General Partners hereunder are joint and several obligations of the General Partners, except as herein expressly provided to the contrary.

ARTICLE VII

WITHDRAWAL OF A GENERAL PARTNER; NEW GENERAL PARTNERS

Section 7.1 Voluntary Withdrawal. No General Partner shall have the right to Retire voluntarily from the Partnership or sell, assign, encumber, or otherwise transfer its Interest without

the Consent of the Investor Limited Partner and any Requisite Approvals. In addition, no direct or indirect ownership interest in a General Partner may be sold, assigned, encumbered, or otherwise transferred without the Consent of the Investor Limited Partner and any Requisite Approvals.

Section 7.2 Obligation to Continue. In the event of the Retirement of any General Partner, the remaining General Partners, if any, and any successor General Partner shall have the obligation to elect to continue the business of the Partnership employing its assets and name. Promptly after the occurrence of such Retirement, the remaining General Partners, if any, shall notify the Investor Limited Partner thereof.

Section 7.3 Successor General Partner.

A. No assignee or transferee of all or any part of the Interest of a General Partner shall have an automatic right to become a Partner; such Interest shall be deemed to be that of an assignee and the holder thereof shall be entitled only to such rights as an assignee may have under the laws of the State of Formation unless or until such assignee is admitted to the Partnership as a Partner in compliance with the requirements of this Agreement.

B. Upon the occurrence of any Retirement, the remaining General Partners may designate a Person to become a successor General Partner to the Retired General Partner. Any Person so designated, subject to any Requisite Approvals, the Consent of the Investor Limited Partner and, if required by the Uniform Act or any other applicable law, the consent of any other Partner so required, shall become a successor General Partner.

C. If any Retirement shall occur at a time when there is no remaining General Partner and no successor General Partner is to be admitted pursuant to Section 7.3A, then the Investor Limited Partner shall have the right, subject to any Requisite Approvals and Section 6.3C, to designate a Person to become a successor General Partner.

D. If the Investor Limited Partner elects to reconstitute the Partnership and admit a successor General Partner pursuant to this Section 7.3, the relationship of the Partners in the reconstituted Partnership shall be governed by this Agreement.

Section 7.4 Interest of Predecessor General Partner.

A. Anything herein contained to the contrary notwithstanding, any General Partner who Retires voluntarily in violation of Section 7.1 shall remain liable for all of its obligations under this Agreement, for all its other obligations and liabilities hereunder incurred or accrued prior to the date of its withdrawal and for any loss or damage which the Partnership or any of its Partners may incur as a result of such withdrawal except for any loss or damage attributable to the default, negligence or misconduct of a successor General Partner admitted in its place under this Agreement.

B. The disposition of the Interest of a General Partner Retiring voluntarily in compliance with this Agreement shall be accomplished in such manner as shall be acceptable to the remaining General Partners, shall be approved by Consent of the Investor Limited Partner and shall have obtained any Requisite Approvals.

Section 7.5 Designation of New General Partners. The General Partner may, with the written consent of all Partners, at any time designate new General Partners, each with such Interest as a General Partner in the Partnership as the General Partners may specify, subject to any Requisite Approvals. Any new General Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the Project Documents and any other documents required in connection therewith and by the provisions of this Agreement, to the same extent and on the same terms as any other General Partner.

Section 7.6 Amendment of Certificate; Approval of Certain Events. Upon the admission of a new General Partner, **Schedule A** shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed as required by the Uniform Act. Each Partner hereby consents to and authorizes any admission or substitution of a General Partner or any other transaction, including, without limitation, the continuation of the Partnership business, which has been authorized under this Agreement, and hereby ratifies and confirms each amendment of this Agreement necessary or appropriate to give effect to any such transaction.

Section 7.7 Removal or Retirement of a General Partner.

A. In addition to any other rights granted to the Limited Partners hereunder, the Special Limited Partner shall have the right to remove and replace the General Partner in accordance with the provisions of this Section 7.7 if a Material Default occurs and is not cured within the time period set forth in this Section 7.7. If at any time there is more than one General Partner, all General Partners may be removed and replaced in accordance with the provisions of this Section 7.7 in the event of a Material Default by any General Partner.

B. As used in this Section 7.7, “Material Default” means the occurrence of any of the following events:

- (i) the General Partner has failed or refused to perform any of its obligations as set forth in this Agreement and does not, within a period of thirty (30) days following written notice of such failure or refusal, commence the performance of such obligations and cure, to the reasonable satisfaction of the Special Limited Partner, the adverse effects of such failure or refusal; or
- (ii) the Partnership, the General Partner, the Guarantor, or any Affiliate of any of the foregoing is in default under any Project Document or Related Agreement and such default is not cured within any applicable grace period granted by the non-defaulting party;
- (iii) the General Partner has engaged or is engaging in an activity which is intentionally injurious to the Partnership or the General Partner has committed a breach of fiduciary duty, been grossly negligent, engaged in material misconduct or made one or more material misrepresentations with respect to the Partnership or used or appropriated for personal use or benefit funds or properties of the Partnership when not authorized to do so;
- (iv) the General Partner, the Guarantor, or Affiliate of any of the foregoing has breached

any material term of any Project Document which the Special Limited Partner reasonably deems to be material and the time period, if any, for curing such breach has passed; or

- (v) the Partnership has incurred unfunded Project Expenses for three (3) consecutive calendar months during the period in which Negative Cash Flow Loans are not required to be made under Section 6.8, and the General Partners have not made Voluntary Loans to fund such deficits and there are insufficient funds available to be released from the Operating Reserve to pay such unfunded Project Expenses;
- (vi) the Partnership's Debt Service Coverage Ratio is below 100% for (a) a period of six (6) consecutive calendar months and the General Partner (or the Guarantor) has failed to fund Project Expenses, or (b) six (6) calendar months (whether consecutive or not) during any twelve (12) calendar month period and the General Partner (or the Guarantor) has failed to fund Project Expenses;
- (vii) the allocation of more than 25% of the Federal Low Income Housing Tax Credits claimed by the Partnership or the Limited Partners in any year has been recaptured or disallowed; or
- (viii) a Retirement or Event of Bankruptcy has occurred with respect to the General Partner or the Guarantor.

C. In the event that the Investor Limited Partners determines to remove any General Partner pursuant to the provisions of this Section 7.7, the Special Limited Partner shall notify the General Partner in writing of the Material Default that is the cause for the removal of the General Partner (any such notice being referred to herein as a "Removal Notice" and the date of such Removal Notice being referred to herein as the "Removal Notice Date"). The removal of the General Partner shall be deemed to be effective as of the Removal Notice Date, and the removed General Partner shall immediately deliver to the Special Limited Partner all books, records, tax and financial information relating to the Partnership and the Project that are in the possession or under the control of such General Partner or any of its Affiliates.

D. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, all agreements between the Partnership and the General Partner and/or its Affiliates may be terminated at the written direction of the Special Limited Partner in its sole and absolute discretion.

E. If a General Partner that is an Affiliate of the Developer is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, the General Partner will, at the written direction of the Special Limited Partner in its sole and absolute discretion, make a capital contribution to the Partnership in an amount sufficient to pay any unpaid balance of the Development Fee, if any, and the Partnership will apply such proceeds to the discharge of such obligation in full. If the General Partner fails to make such capital contribution to the Partnership, the General Partner must assign its right to payment of the Development Fee to any Person designated by the Special Limited Partner (including, without limitation, an Affiliate of STCC).

F. From and after the effective date of the removal or Retirement of the General Partner, the Partnership and its remaining Partners shall be deemed completely released from all liabilities owed to such removed or Retired General Partner and its Affiliates generally and to any others claiming by or through such General Partner to whom any distributions, loans, fees or other payments are owed. If requested by the Special Limited Partner, the removed or Retired General Partner (and any Affiliates to whom obligations of any kind are owed by the Partnership) shall provide the Partnership with written confirmation of such release. The removed or Retiring General Partner shall not be liable for the obligations of the Partnership incurred subsequent to the effective date of its removal or Retirement unless such obligations arise out of the acts or omissions of the removed or Retired General Partner. The removed or Retired General Partner shall remain liable for all obligations and liabilities of the General Partner that accrued prior to the effective date of its removal or Retirement (whether or not then known or discovered) and for all obligations and liabilities under Sections 6.7 unless such obligations arise out of the acts or omission of the successor General Partner. The General Partner also shall indemnify, defend, protect and hold the Partnership and the Limited Partners harmless from and against all losses, costs, damages, liabilities, fines, penalties, actions, suits and expenses incurred by it (or them) in connection with the Material Default giving rise to the removal of the General Partner and the exercise of the remedies provided above, including, without limitation, all reasonable attorneys' fees.

G. The Special Limited Partner may, as of the date of any Removal Notice, elect to become (or to designate another Person, including, without limitation, an Affiliate of STCC, to become) an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner, the Special Limited Partner or its designee shall automatically become and shall be deemed to be a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate as may be necessary or appropriate to confirm the foregoing or otherwise enforce the provisions of this Section 7.7. If the Special Limited Partner or its designee shall become an additional General Partner as herein stated, and if there are then any other General Partners, the Special Limited Partner or its designee (as applicable) shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners and the rights and authority of the remaining General Partners shall be deemed equally divided among them.

ARTICLE VIII

TRANSFER OF LIMITED PARTNER INTERESTS

Section 8.1 Right to Assign. Except as restricted in this Article VIII or by operation of law and subject to any Requisite Approvals, each Limited Partner shall have the right to assign all or any portion of its Interest without the consent or approval of any other Partner. The General Partner, at the sole expense of the assigning Limited Partner, shall cooperate in good faith to effect such assignment as expeditiously as possible, including without limitation (i) the execution of instruments of assignment, appropriate amendments to (which amendments, including amendments to any Related Agreement, shall be subject to the reasonable consent of the General Partner), or updates of, the Related Agreements and other documents listed on the Document Schedule and/or any other documents which the assigning Limited Partner reasonably determines

necessary or appropriate to accomplish such assignment (if required) and (ii) the delivery of a non-imputation endorsement to the Title Policy and such other due diligence documentation as the Limited Partner may reasonably request for the benefit of such assignee. In connection with any assignment by a Limited Partner of its Interest (or in connection with any assignment of any direct or indirect interest in a Limited Partner), such assigning Limited Partner (or Person assigning an interest in such Limited Partner) shall have the right to disclose to the proposed assignee any information that the General Partner and the Guarantor have delivered to such Limited Partner in connection with this Agreement, including, without limitation, any information concerning the Project, the General Partner and the Guarantor.

Section 8.2 Restrictions.

A. The General Partner may require as a condition of any assignment of any Interest that the assignor assume all costs incurred by the Partnership in connection therewith, including any transfer tax and recording costs.

B. Any assignment in contravention of Section 8.1 or this Section 8.2 shall be void and not recognized by the Partnership.

Section 8.3 Substitute Limited Partners. An assignor may designate its assignee to become a Substitute Limited Partner in its place provided that the following conditions are satisfied:

- (a) any Requisite Approvals are obtained;
- (b) the instrument of assignment sets forth the intention of the assignor that its assignee succeed to the assignor's Interest (or portion thereof assigned thereto) as a Substitute Limited Partner; and
- (c) the assignor and assignee shall have executed and acknowledged such other instruments as the General Partner may deem reasonably necessary or desirable to effect such substitution, including the written acceptance and adoption by the assignee of the provisions of this Agreement.

Section 8.4 Assignees. Any permitted assignee of a Limited Partner which does not become a Substitute Limited Partner shall have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled. Any assigning Limited Partner shall cease to be a Limited Partner and no longer have any rights or obligations of a Limited Partner except that, unless and until the assignee of such Limited Partner is admitted to the Partnership as a Substitute Limited Partner, said assigning Limited Partner shall retain the statutory rights and be subject to the statutory obligations of an assignor Limited Partner under the Uniform Act as well as the obligation to make the Capital Contributions attributable to the Interest in question, if any portion thereof remains unpaid. There shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making each assignment; such instrument must evidence the written acceptance of the assignee to this Agreement. If such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose. In the case of any assignment of a Limited Partner's Interest where

the assignee does not become a Substitute Limited Partner, the Partnership shall recognize the assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation. An assignee which does not become a Substitute Limited Partner and desires to make a further assignment of its Interest shall also be subject to this Article VIII.

ARTICLE IX

LOANS; MORTGAGE REFINANCING; PROPERTY DISPOSITION

Section 9.1 General

A. All Partnership borrowings shall be subject to Section 6.1, this Article, the Project Documents and the Regulations. The Limited Partners hereby approve the Tax-Exempt Loan Documents and consent to the execution and delivery thereof by the Partnership and the General Partner. All Mortgage Loan Documents not approved by the Investor Limited Partner as of Investment Closing shall be submitted to and approved by the Investor Limited Partner prior to execution and delivery thereof.

B. Notwithstanding anything to the contrary herein, in no event shall the principal amount of the Tax-Exempt Loan as of Final Closing exceed the lesser of (i) the amount necessary to achieve a Debt Service Coverage Ratio of at least 1.15:1 throughout the Compliance Period as determined by the Investor Limited Partner (assuming that Project Expenses trend at 3.00% per annum and Operating Revenues trend at 2.00% per annum) or (ii) \$6,660,000. The General Partner shall provide such documentation as the Investor Limited Partner shall reasonably require to make such determination. In the event that the amount of the Tax-Exempt Loan must be reduced from the amount set forth in the Investment Assumptions in order to achieve the required Debt Service Coverage Ratio (a "Financing Shortfall"), the General Partner shall make a Development Advance pursuant to the provisions of Section 6.7, if necessary, in an amount sufficient to reduce the principal amount of the Tax-Exempt Loan prior to Final Closing to the amount necessary to cause the Partnership to achieve the required Debt Service Coverage Ratio.

C. All Partnership borrowings shall be subject to the provisions of Section 6.1, Article IX and any other limitations set forth in this Agreement, and the Project Documents. The Partnership may accept Special Capital Contributions, Development Advances, Negative Cash Flow Loans and other capital contributions made by the General Partner in accordance with the provisions of Sections 5.2E and 6.2G. Any other loan or advance made by a Partner or its Affiliates (a "Voluntary Loan") shall be unsecured, shall bear interest at a rate equal to the Designated Interest Rate per annum, and shall be repayable only as provided in Article X. Voluntary Loans must be made solely for the benefit of the Partnership, and no Voluntary Loans may be made by the General Partner or its Affiliates in substitution of the General Partner's obligation to make capital contributions, Development Advances, and Negative Cash Flow Loans. In addition, no Voluntary Loan may be made by a Partner or Related Person if it is likely to reduce the amount of Federal Low Income Housing Tax Credits that would otherwise be allocable to the Investor Limited Partner under this Agreement during the Compliance Period. To the extent that the Bank or any Affiliate thereof is a secured Lender under any financing arrangement with the Partnership, the General Partner shall cause the collateral for any such arrangement to also secure Voluntary

Loans made by STCC or its Affiliates, if requested by the Special Limited Partner, so long as the same is not prohibited by the Project Documents.

D. At any time that an Affiliate of the Investor Limited Partner (such partner or member being referred to herein as a “Investor Related Mortgagee”) makes, guarantees, owns, acquires, or otherwise credit enhances, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Property owned by the Partnership (any such loan being referred to as a “Related Mortgage Loan”), such Investor Related Mortgagee will not be deemed to have acted on behalf of or as agent to or as the alter ego of the Investor Limited Partner. An Investor Related Mortgagee may take any actions that the Investor Related Mortgagee, in its discretion, determines to be advisable in connection with its Related Mortgage Loan (including in connection with the enforcement of its Related Mortgage Loan). By execution of this Agreement, each Partner agrees, to the extent permitted by applicable law, that no Investor Related Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Investor Related Mortgagee being a partner or member in the Investor Limited Partner. Neither the Partnership nor any Partner will make any claim against an Investor Related Mortgagee, or against the Investor Limited Partner in which the Investor Related Mortgagee is a partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Investor Related Mortgagee’s status as a partner or member of the Investor Limited Partner.

Section 9.2 Refinancing and Sale

A. The Partnership may not increase the amount of or otherwise modify any Mortgage Loan, obtain any new Mortgage Loan, or refinance any Mortgage Loan without the Consent of the Investor Limited Partner.

B. The Partnership may not sell, lease, convey, exchange or otherwise transfer or convey any assets of the Partnership (except for any grants of utility easements as provided in Section 6.1(B)(x)) without the Consent of the Investor Limited Partner (including any conveyance of Partnership assets for mortgage or security purposes). Notwithstanding the foregoing, no such Consent shall be required for the leasing of dwelling units in the normal course of business of the Partnership provided that all of the Low Income Units are leased to Qualified Tenants and the Project qualifies as a “qualified low-income housing project” under Section 42(g)(1) of the Code at all times throughout the Compliance Period.

C. Upon the sale of the Property by the Partnership, no Person may pay to any Person real estate commissions in excess of that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area.

D. Upon the sale of the Project or any portion thereof, the Partnership shall pay a sales preparation fee to the General Partner or such other Affiliate of the General Partner (the “Sales Preparation Fee”), in consideration of its actual services in arranging for and negotiating such sale, in an amount equal to one percent (1%) of the gross sale price of the Project (which percentage may be increased to up to 3% if the General Partner can demonstrate that such higher

fee is reasonable, customary and competitive with those paid in similar transactions in the geographical area of the Project at the time of such), as provided in Section 10.1B; provided, however, that the total compensation paid by or on behalf of the Partnership to all Persons with respect to brokerage services or related fees in connection with the sale of the Project, or any portion thereof, shall not exceed six percent (6%) of the contract price for the sale of the Project (or such portion thereof) and, if and to the extent that any other payment(s) are made by or on behalf of the Partnership to any Person(s) with respect to any such sale of the Project, the Sales Preparation Fee shall, if necessary, be reduced to such amount as, when added to the aggregate amount of all other such payment(s), does not exceed six percent (6%) of the contract price for the sale of the Project (or such portion thereof). The Sales Preparation Fee shall be due and payable on a one-time basis only and will not be payable in connection with any partial sale or refinancing of any Mortgage Loan. In addition, if the General Partner (or an Affiliate thereof) purchases the Project, the Sales Preparation Fee shall only be allowed as a credit to the purchase price.

ARTICLE X

PROFITS, LOSSES AND DISTRIBUTIONS

Section 10.1 Distributions Prior to Dissolution.

A. Distributions of Cash Flow. No Cash Flow shall be distributed to any Partner prior to Final Closing. Subject to any Requisite Approvals (i) all Cash Flow generated through Final Closing shall be includable in Designated Proceeds for payment of Development Costs; provided, however, that if the General Partner determines (with the Consent of the Investor Limited Partner) that such Cash Flow is not needed for payment of Development Costs, then such Cash Flow shall be distributed as provided below in Section 10.1A, and (ii) Cash Flow for each fiscal year (or fractional portion thereof) from and after Final Closing shall be distributed, within ninety (90) days after the end of each fiscal year, in the following order of priority:

- (i) First, to payment of all amounts due and owing to the Investor Limited Partner;
- (ii) Second, to restore the amounts in the Operating Reserve to Minimum Operating Reserve Amount;
- (iii) Third, to the repayment of any Voluntary Loans made by the Investor Limited Partner and/or Special Limited Partner then outstanding (pro rata in proportion to the aggregate amounts payable to each payee);
- (iv) Fourth, to payment of the Asset Management Fee (including accrued but unpaid amounts in respect of prior fiscal years);
- (v) Fifth, to the payment of all amounts then due and payable in respect of the Deferred Development Fee;
- (vi) Sixth, to the repayment of any Negative Cash Flow Loans then outstanding and any Voluntary Loans made by the General Partner then outstanding;

- (vii) Seventh, 10% remaining after the Clause Sixth above shall be distributed to the Investor Limited Partner;
- (viii) Eighth, the payment of the Supervisory Management Fee; and
- (ix) Ninth, the balance of such proceeds, if any, shall be distributed to the General Partner;

provided, however, that the General Partner shall not be entitled to any fees, distributions or loan repayments if a Material Default shall have occurred and remain uncured under Section 7.7.

B. Distributions of Capital Transaction Proceeds. Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction, such proceeds shall be applied and distributed as follows:

- (i) First, to discharge, to the extent required by any lender or creditor, the debts and obligations of the Partnership (excluding any items listed in the ensuing clauses of this Section 10.1B);
- (ii) Second, to fund reserves for contingent third-party liabilities of the Partnership to the extent deemed reasonably necessary or prudent by the General Partner;
- (iii) Third, to payment of 150% of any unpaid Tax Credit Shortfall Payments due and owing to the Investor Limited Partner;
- (iv) Fourth, to payment of any outstanding amounts due and owing to the Investor Limited Partner under this Agreement including, without limitation, payment of any accrued but unpaid Asset Management Fee and repayment of any Voluntary Loans made by the Investor Limited Partner;
- (v) Fifth, to the payment of all amounts then due and payable in respect of the Deferred Development Fee;
- (vi) Sixth, to the repayment of any Voluntary Loans made by the General Partner or its Affiliates;
- (vii) Seventh, to the repayment of any Negative Cash Flow Loans then outstanding;
- (viii) Eighth, \$1,000 to the Special Limited Partner; and
- (ix) Ninth, the balance of such proceeds, if any, shall be distributed 10% to the Investor Limited Partner and 90% to the General Partner.

Section 10.2 Deficit Restoration Obligation and Distributions Upon Dissolution.

A. Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership shall be distributed to the Partners in accordance with the positive balances in their Capital Accounts after taking into

account all Capital Account adjustments for the Partnership taxable year, including adjustments to Capital Accounts pursuant to Sections 10.2B and 10.3B. In the event that a General Partner or a Limited Partner has a negative balance in its Capital Account following the liquidation of the Partnership or its Interest after taking into account all Capital Account adjustments for the Partnership taxable year in which the liquidation occurs, such Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Such payment shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid to recourse creditors of the Partnership or distributed to other Partners in accordance with the positive balances in their Capital Accounts. Notwithstanding the foregoing, the obligation of the Limited Partners to contribute such deficit shall be zero unless and until it shall notify the Partnership in writing of its election to have a different amount (the “Designated Amount”) apply, which Designated Amount may be increased or reduced (subject to the provisions of the following sentence) by similar written notice from the electing Partner at any subsequent date. Furthermore, notwithstanding the foregoing, the General Partner’s obligation to contribute such deficit shall be limited to 0.01% of the total Capital Contributions of the Company. No subsequent reduction to the Designated Amount shall reduce the same below such Partner’s deficit balance in its Capital Account (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) at the end of the Partnership’s immediately preceding tax year. Notwithstanding the foregoing, the Designated Amount shall (unless the designating Partner notifies the Partnership otherwise in writing) be reduced automatically and permanently at the end of each subsequent Partnership taxable year in which such Partner’s deficit Capital Account balance (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) is less than the deficit Capital Account balance (as such Capital Account is increased by such Partner’s share of Partnership Minimum Gain) existing at the end of the Partnership’s immediately preceding taxable year. The amount of such reduction shall be equal to the amount of such difference in deficit Capital Account balances.

B. With respect to assets distributed in kind to the Partners in liquidation or otherwise: (i) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be profits and losses realized by the Partnership immediately prior to the liquidation or other distribution event; and (ii) such profits and losses shall be allocated to the Partners in accordance with Section 10.3B, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of such fair market value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered. For the purposes of this Section 10.2B, “unrealized appreciation” or “unrealized depreciation” shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing (but subject to Section 7701(g) of the Code), and the Partnership’s adjusted basis for such assets as determined under Treasury Regulation Section 1.704-1(b). This Section 10.2B is merely intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distribution event, and nothing contained in this Section 10.2B or elsewhere herein is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the General Partners with the Consent of the Investor Limited Partner.

Section 10.3 Profits, Losses and Tax Credits.

A. Except as otherwise specifically provided in this Article, for each fiscal year or

portion thereof, profits, tax-exempt income, losses and non-deductible, non-capitalizable expenditures incurred and/or accrued by the Partnership, shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

B. Except as otherwise specifically provided in Section 10.4 or elsewhere in this Article, all profits and losses arising from a Capital Transaction shall be allocated to the Partners as follows:

(i) As to profits:

- (a) First, an amount of profit equal to the aggregate negative balances (if any) in the Capital Accounts of all Partners having negative balance Capital Accounts shall be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts shall have zero balances; and
- (b) Second, an amount of profits shall be allocated to each of the Partners until the positive balance in the Capital Account of each Partner equals, as nearly as possible, the amount of cash which would be distributed to such Partner if the aggregate amount in the Capital Accounts of all Partners were cash available to be distributed in accordance with Clauses Third, Eighth and Ninth of Section 10.1B.

(ii) As to losses:

- (a) First, an amount of losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Partners having positive balance Capital Accounts shall be allocated to such Partners in proportion to their positive Capital Account balances until all such Capital Accounts shall have zero balances; provided, however, that if the amount of losses so to be allocated is less than the sum of the positive balances in the Capital Accounts of those Partners having positive balances in their Capital Accounts, then such losses shall be allocated to the Partners in such proportions and in such amounts so that the Capital Account balances of each Partner shall equal, as nearly as possible, the amount such Partner would receive if an amount equal to the excess of (A) the sum of all Partners' balances in their Capital Accounts computed prior to the allocation of losses under this clause (a) over (B) the aggregate amount of losses to be allocated to the Partners pursuant to this clause (a) were distributed to the Partners in accordance with Clauses Third, Eighth and Ninth of Section 10.1B; and
- (b) Second, the balance, if any, of such losses shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

C. If the Partnership (i) incurs recourse obligations (including, without limitation,

accounts payable and deferred fees that in the reasonable judgment of the Special Limited Partner are not expected to be paid in the ordinary course of business) or Partner Non-Recourse Debt (including without limitation Negative Cash Flow Loans), (ii) accepts Capital Contributions from the General Partner that are required or permitted by the terms of this Agreement, all or a portion of the proceeds of which (in any such case) are applied to the payment of Project Expenses or other items that are deductible for federal income tax purposes or (iii) incurs losses from extraordinary events which are not recovered from insurance or other sources (the items referred to in clauses (i), (ii) and (iii) being hereinafter referred to collectively as the “Section 10.3C Items”) in respect of any Partnership taxable year, then the calculation and allocation of profits and losses shall be adjusted as follows: *first*, an amount of deductions (consisting of Project Expenses and not cost recovery deductions) attributable to the Section 10.3C Items shall be allocated to the General Partner; and *second*, the balance of such deductions shall be allocated as provided in Section 10.3A. For purposes of determining the deductions that are attributable to the Section 10.3C Items, Cash Receipts shall be deemed to have been applied first to Debt Service Requirements and the funding of Partnership reserves and then to Project Expenses other than Debt Service Requirements and the funding of Partnership reserves. The term “extraordinary events,” as used in this Section 10.3C, includes casualty losses, losses resulting from liability to third parties for tortious injury, losses resulting from a breach of a legal duty by the Partnership or by the General Partner, and deductions resulting from other liabilities of the Partnership that are not incurred in the ordinary course of business. Nothing in this Section 10.3C shall prevent the Partnership from recovering an extraordinary loss from a General Partner who is liable therefore by law or under the terms of this Agreement.

D. If any Section 10.3C Items shall be repaid from cash generated in respect of any Partnership fiscal year, then the allocation of profits and losses under Section 10.3A for such fiscal year shall be adjusted as follows: *first*, the General Partner shall be allocated an amount of the gross income of the Partnership equal to the lesser of (i) the amount of items of loss or expense previously allocated to the General Partner under Section 10.3C and not previously offset by allocations of gross income under this Section 10.3D or items thereof and (ii) the amount of the Section 10.3C Items repaid in such year and *second*, all remaining gross income and all expenses shall be allocated as provided in Section 10.3A. Nothing in this Section 10.3D shall be construed to authorize the return of Capital Contributions. This section shall be applied in conjunction with Section 10.4B to avoid the double allocation of gain under such sections when Negative Cash Flow Loans are repaid.

E. Notwithstanding the foregoing provisions of Sections 10.3.A and 10.3.B, in no event shall any losses be allocated to a Limited Partner if and to the extent that such allocation would cause, as of the end of the Partnership taxable year, the negative balance in such Limited Partner’s Capital Account to exceed such Limited Partner’s share of Partnership Minimum Gain plus such Limited Partner’s share of Partner Non-Recourse Debt Minimum Gain plus the amount, if any, of such Limited Partner’s Designated Amount (as specified in accordance with Section 10.2A). Any losses which are not allocated to the Limited Partners by virtue of the application of this Section 10.3E shall be allocated as required under Section 1.704-1(b) of the Allocation Regulations. For purposes of this Section 10.3E, a Partner’s Capital Account shall be treated as reduced by Qualified Income Offset Items.

F. The terms “profits” and “losses” used in this Agreement shall mean income and

losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with the accounting methods followed by the Partnership and computed in a manner consistent with Section 1.704-1(b)(2)(iv) of the Allocation Regulations. Profits and losses for federal income tax purposes shall be allocated in the same manner as profits and losses under Section 10.3 except as provided in Section 10.5B.

G. Federal Low Income Tax Credits shall be allocated among the Partners in the same manner as the deductions attributable to the expenditures creating the Federal Low Income Housing Tax Credits are allocated among the Partner in accordance with Section 1.704-1(b)(4)(ii) of the Allocation Regulations.

H. If for any reason the Partnership is required to make a payment for any underpayment of any federal, state or local income or franchise tax or related interest or penalty as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith that will not be satisfied directly by the Partners or former Partners pursuant to an election under Section 6226 of the Code (as amended by the Budget Act), a modification permitted under Section 6225(c) of the Code (as amended by the Budget Act), or any similar election or modification permitted under the Code (as amended by the Budget Act) or state or local law, such tax, interest, and penalty shall be specially allocated to the Partners in accordance with any Treasury Regulations promulgated under Subchapter 63C of the Code (as amended by the Budget Act), or if no such Treasury Regulations have been promulgated, in the manner necessary to maintain the intent of the Partners with respect to the allocation of profits, losses and Tax Credits set forth in the preceding provisions of this Section 10.3, and the obligations of the General Partner under this Agreement including, without limitation, the obligation of the General Partner to make Tax Credit Shortfall Payments under Section 5.2.

Section 10.4 Minimum Gain Chargebacks and Qualified Income Offset

A. If there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, each Partner will be allocated items of income and gain for such year (and, if necessary, subsequent years) in the proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during the year. A Partner is not subject to this Partnership Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Section 1.704-2(f) of the Allocation Regulations.

B. If there is a net decrease in Partner Non-Recourse Debt Minimum Gain during a Partnership taxable year, then each Partner with a share of the minimum gain attributable to such debt at the beginning of such year will be allocated items of income and gain for such year (and, if necessary, subsequent years) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partner Non-Recourse Debt Minimum Gain during the year. A Partner is not subject to this Partner Non-Recourse Debt Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(i)(4) of the Allocation Regulations applied consistently with Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(i)(4) of the Allocation Regulations.

C. In the event that any Partner unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Allocation Regulations, items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Allocation Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This Section 10.4C is intended to constitute a “qualified income offset” provision within the meaning of the Allocation Regulations and shall be interpreted consistently therewith. For purposes of this Section 10.4C, a Partner’s Capital Account shall be treated as reduced by Qualified Income Offset Items.

D. Subject to the provisions of Sections 10.4A through 10.4C above, in no event shall any Partner be allocated losses that would cause it to have an Adjusted Capital Account Deficit as of the end of any Partnership taxable year. Any losses that are not allocated to a Partner by reason of the application of the provisions of this Section 10.4D shall be allocated to the other Partners (to the extent otherwise permitted under the terms of this Section 10.4D).

E. Subject to the provisions of Sections 10.4A through 10.4D above, in the event that any Partner has an Adjusted Capital Account Deficit at the end of any Partnership taxable year, items of Partnership income and gain shall be specially allocated to each such Partner in the amount of such Adjusted Capital Account Deficit as quickly as possible.

Section 10.5 Special Provisions.

A. Subject to the provisions of Section 13.8, the Investor Limited Partner and Special Limited Partner each shall be deemed to have been admitted to the Partnership as of the first day of the month during which its actual admission occurs for purposes of allocating profits and losses.

B. Income, gain, loss and deduction with respect to property which has a variation between its basis computed in accordance with Section 1.704-1(b) of the Allocation Regulations and its basis computed for federal income tax purposes shall be shared among the Partners for tax purposes so as to take account of such variation in a manner consistent with the principles of Section 704(c) of the Code and Sections 1.704-1(b)(2)(iv)(g) and 1.704-3 of the Allocation Regulations.

C. If the Partnership shall receive any purchase money indebtedness in partial payment of the purchase price of the Project and such indebtedness is distributed to the Partner pursuant to the provisions of Section 10.1B or Section 10.2, the distributions of the cash portion of such purchase price and the principal amount of such purchase money indebtedness hereunder shall be allocated among the Partners in the following manner: On the basis of the sum of the principal amount of the purchase money indebtedness and cash payments received on the sale (net of amounts required to pay Partnership obligations and fund reasonable reserves), there shall be calculated the percentage of the total net proceeds distributable to each class of Partners based on Section 10.1B or Section 10.2, as applicable, treating cash payments and purchase money indebtedness principal interchangeably for this purpose, and the respective classes shall receive such respective percentages of the net cash purchase price and purchase money principal. Payments on such purchase money indebtedness retained by the Partnership shall be distributed in accordance with the respective portions of principal allocated to the respective classes of Partners in accordance with the preceding sentence, and if any such purchase money indebtedness shall be

sold, the sale proceeds shall be allocated in the same proportion.

D. In the event that any fee payable to the General Partner or any Affiliate shall instead be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to the General Partner an amount of gross income equal to the amount of such distribution.

E. Notwithstanding any provision to the contrary in this Article X, funds of the Partnership constituting Designated Proceeds shall be applied to pay Development Costs and the Development Fee in accordance with the provisions of this Agreement, the Development Agreement and the Project Documents.

F. In applying the provisions of this Article X with respect to distributions and allocations, the following ordering of priorities shall apply:

(A) Capital Accounts shall be deemed to be reduced by Qualified Income Offset Items.

(B) Capital Accounts shall be reduced by distributions of Cash Flow under Section 10.1A.

(C) Capital Accounts shall be reduced by distributions from Capital Transactions under Section 10.1B.

(D) Capital Accounts shall be increased by any minimum gain chargeback under Section 10.4A or 10.4B.

(E) Capital Accounts shall be increased by any qualified income offset under Section 10.4C.

(F) Capital Accounts shall be increased by allocations of profits under Section 10.3A.

(G) Capital Accounts shall be reduced by allocations of losses under Section 10.3A.

(H) Capital Accounts shall be reduced by allocations of losses under Section 10.3B.

(I) Capital Accounts shall be increased by allocations of profits under Section 10.3B.

G. For purposes of determining each Partner's proportionate share of excess Partnership Non-Recourse Liabilities pursuant to Treasury Regulation Section 1.752-3(a)(3), the Investor Limited Partner shall be deemed to have a 99.99% interest in profits of the Partnership and the General Partner shall be deemed to have a 0.01% interest in profits of the Partnership.

H. To the maximum extent permitted under the Code, allocations of profits and losses

shall be modified so that the Partners' Capital Accounts reflect the amount they would have reflected if adjustments required by Section 10.4 had not occurred. Furthermore, if for any Fiscal Year the application of the provisions of Section 10.4 would cause a distortion in the economic sharing arrangement among the Partners and it is not expected that the Partnership will have sufficient other income to correct that distortion, the General Partner may request a waiver from the Service of the application in whole or in part of Section 10.4 in accordance with Section 1.704-2(f)(4) of the Allocation Regulations. Notwithstanding any provision to the contrary in this Section 10.5H, depreciation deductions shall in all events be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

I. To the extent that interest on obligations to the General Partner or its Affiliates is determined to be deductible by the Partnership in excess of the stated amount of interest payable thereunder, the corresponding additional interest deduction shall be allocated solely to such General Partner.

J. Any taxable income of the Partnership resulting from its receipt of donations, contributions, grants or subsidies (whether in the form of property, cash, or forgivable debt) shall be specially allocated to the General Partner. Any interest income earned by the Partnership on any and all reserve, escrow or other accounts shall be specially allocated to the General Partner.

K. Partnership Non-Recourse Deductions for any Partnership taxable year shall be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

L. Any Partner Non-Recourse Deductions for any Partnership taxable year shall be specially allocated to a Partner that bears the Economic Risk of Loss with respect to the Partner Non-Recourse Debt to which such Partner Non-Recourse Deductions are attributable in accordance with Section 1.704-2(b)(4) and 1.704-2(i) of the Allocation Regulations.

M. The Partnership and its Partners shall be permitted to disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

ARTICLE XI

MANAGEMENT AGENT

Section 11.1 Management Agent

A. Subject to all Requisite Approvals, the General Partner shall obtain a Management Agent, which may be an Affiliate of a General Partner, to manage the Project in accordance with Lender and Agency requirements. The General Partner shall cause the Partnership to enter into the Management Agreement with the Management Agent which agreement (as well as any material amendments thereto) shall be subject to the prior approval of the Special Limited Partner. Any replacement Management Agent shall require the Consent of the Special Limited Partner, and none of the services to be performed by the Management Agent under the Management Agreement may be assigned or subcontracted to third parties without the Consent of the Special Limited

Partner. Subject to the Regulations, the Management Agent shall be entitled to receive a reasonable and competitive Management Fee (determined by reference to arm's-length property management arrangements for comparable properties in force in the general locality of the Project) not to exceed (without Investor Limited Partner approval) the lesser of 4.22% of gross collected rental income or the maximum amount permitted by any relevant Agency or Lender. All Persons involved in managing the Project shall be employed by the Management Agent, and the Partnership shall have no employees.

- B. If at any time after the Completion Date:
- (i) the Project shall be subject to any substantial building code violation which shall not have been cured within 90 days after notice from the applicable Agency or department or unless such violation is being validly contested by the General Partner by proceedings which operate to prevent any fines or criminal penalties from being levied against the Partnership or unless, in the case of any such violation not susceptible of cure within such 90-day period, the General Partner are diligently making reasonable efforts to cure the same;
 - (ii) the sum of the Operating Revenues of the Partnership plus the proceeds of Negative Cash Flow Loans and Voluntary Loans of the General Partner in respect of any period of three (3) consecutive calendar months after the Completion Date shall be insufficient to permit the Partnership to pay when due on a current basis all Partnership obligations in respect of such three (3)-month period;
 - (iii) the representation and warranty set forth in Section 6.5A(x) could not be accurately made or a Recapture Event shall have occurred;
 - (iv) the Debt Service Coverage Ratio of the Partnership, at any time after the Completion Date, is below 1.00 for a period of six (6) consecutive calendar months, or six (6) calendar months (whether consecutive or not) during any 12 calendar month period;
 - (v) the Limited Partners have received a detailed report from the oversight manager engaged by the Partnership pursuant to Section 6.4K that in their reasonable and customary opinion, the records being maintained by the Management Agent are of below-average quality or that such records are insufficient or raise material questions with respect to the eligibility for low-income housing credit of 10 or more apartment units and that the Management Agent, after having been informed of these matters, has not corrected them to the satisfaction of the oversight manager within thirty (30) days;
 - (vi) the Credit Authority has filed a report of noncompliance or failure to certify with the Service on Form 8823 or gives a similar notification to the Service and the Investor Limited Partner reasonably determines that the Management Agent is not diligently curing such noncompliance within the cure period permitted by the Credit Agency; or
 - (vii) the Management Agent or its agents or employees have demonstrated gross

negligence or malfeasance in the management of the Project;

then the General Partner shall promptly give to the Special Limited Partner notice of such event and cause the Partnership to terminate the Management Agreement within thirty (30) business days of the giving of such notice (or within such longer period of time as is reasonably needed to obtain any Requisite Approvals), unless the written approval of the Special Limited Partner is obtained to retain the Management Agent. If the General Partner fails to promptly cause the Partnership to terminate the Management Agreement in accordance with the foregoing, then the Special Limited Partner may unilaterally act (without the approval of any General Partner) on behalf of the Partnership to terminate the Management Agreement. Upon a termination of the Management Agreement, the General Partner shall promptly select a qualified Person as the new Management Agent (which, in the event the terminated Management Agent was an Affiliate of the General Partner, shall be unaffiliated with any General Partner), which selection shall be subject to the Consent of the Investor Limited Partner and any Requisite Approvals; and, after such selection, no Management Fee shall be payable to any Management Agent which is an Affiliate of a General Partner unless the management contract reasonably is approved in writing by the Special Limited Partner. By its execution hereof, the Management Agent agrees that the provisions of this Article which limit the amount of the Management Fee and contain certain termination rights with respect to the Management Agreement are hereby incorporated into any present or future Management Agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions).

Section 11.2 Special Power of Attorney

If an event described in clauses (i) through (vii) of Section 11.1B above occurs and the General Partner fails to send a Management Default Notice to the Special Limited Partner within the thirty (30) days of the date the General Partner became aware of such event, the Special Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to take such action, and to execute and deliver such documents on behalf of the Partnership and its Partners, as shall be legally necessary and sufficient to effect the provisions of this Article XI.

Section 11.3 Books and Records Maintained By Management Agent

Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine all books, records and other information concerning the Partnership and the Project maintained by the Management Agent at reasonable times upon reasonable notice.

Section 11.4 Incorporation into Present and Future Management Agreements

By its execution hereof, the Management Agent agrees that the provisions of this Article XI which restrict the assignment or subcontracting of the Management Agent's duties and obligations under the Management Agreement, limit the amount of the Management Fee, and provide for the termination of the Management Agent under the circumstances herein described are hereby incorporated into any present or future Management Agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions). In the event of any conflict between the provisions of this Article XI and any present or future Management

Agreement, the provisions of this Article XI shall control.

ARTICLE XII

BOOKS AND REPORTING, ACCOUNTING, TAX ELECTION, ETC.

Section 12.1 Books, Records and Reporting.

A. The General Partner shall keep or cause to be kept at the principal office of the Partnership a complete and accurate set of books, records and supporting documentation with respect to the Partnership's business. The books shall be kept on the accrual basis. Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine the books and all other records and information concerning the Partnership and the Property at reasonable times. The books and records of the Partnership shall include, without limitation, copies of the following: (i) the Partnership's federal, state and local income tax or information returns and reports, if any, and all related back-up documentation for ten (10) years from the date of filing and (ii) financial statements of the Partnership for ten (10) years from the date of production.

B. The books of the Partnership shall be examined by the Accountants in accordance with generally accepted auditing standards annually as of the end of each fiscal year of the Partnership. The General Partner shall cause the Accountants to prepare a balance sheet as of the end of each such year and statements of income, partners' equity and cash flows for such year. Said balance sheet and statements shall be accompanied by the opinion of the Accountants that said balance sheet and statements have been prepared in accordance with generally accepted accounting principles applied consistently with prior periods identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements. As a note to such financial statements, the General Partners shall prepare a schedule of all loans to the Partnership (to be reviewed by the Accountants), setting forth the purpose of such loan and Section of this Agreement under which such loan was obtained. Such schedule shall demonstrate that loans have been made, used, carried on the books of the Partnership (and repaid, if applicable) in accordance with the provisions of this Agreement. In addition, after the first year in which the Accountants examine the financial statements of the Partnership after completion of the Project, the accelerated and straight-line depreciation schedules for that year and all future years, along with the depreciation worksheets, shall be prepared by the General Partner, reviewed by the Accountants and furnished to the Investor Limited Partner. The General Partner shall, promptly upon receipt of such balance sheet and statements and in any event within 90 days after the end of each fiscal year, transmit to the Investor Limited Partner a copy thereof. The Accountants shall also prepare and sign the Federal and state income tax returns of the Partnership. The General Partner shall complete the books of the Partnership in such time as will allow the Accountants to complete such tax returns within 90 days after the end of such fiscal year. Draft copies of such balance sheets and financial statements shall be delivered to the Special Limited Partner for its comment and written approval within 90 days following the end of each fiscal year and the Special Limited Partner shall review and provide comments and/or written approval to such balance sheets and financial statements within 21 days following receipt. Draft copies of such tax returns shall be delivered to the Special Limited Partner for its comment and written approval within 45 days after the end of each fiscal year and the Special Limited Partner shall

provide such comments and/or written approval within 21 days following receipt. Prior to receipt of written approval from the Special Limited Partner, no balance sheet, financial statement, or tax return for the Partnership for any fiscal year shall be filed with or delivered to the Service, any Agency, or any other third party. After receipt of written approval from the Special Limited Partner, the General Partner shall cause such tax returns to be filed by the applicable filing deadline and shall immediately upon the filing thereof transmit to the Investor Limited Partner a copy of Schedule K-1. If the General Partner fail to complete such tax returns and to transmit such Schedule K-1 to the Investor Limited Partner within such time periods, shall fail to transmit the annual balance sheet and financial statements to the Investor Limited Partner within the time period set forth above or shall fail to deliver any of the information required by Section 12.1F within 20 days after the end of any applicable month, upon thirty (30) days' notice of such default, the General Partner shall pay as damages the sum of \$250 per day to the Investor Limited Partner until such Schedule K-1, balance sheet and financial statements and information required pursuant to Section 12.1F are received by the Investor Limited Partner. Such damages shall be paid forthwith by the General Partner. In addition, if the General Partners fail so to pay, the Investor Limited Partner may deduct any unpaid damages from any portion of its Capital Contribution not yet paid, or if such Capital Contribution has been fully paid then the General Partner and its Affiliates shall forthwith cease to be entitled to payment of any fees or distributions. Such payments shall only be restored upon the payment of such damages in full and any amount of such damages not so paid shall be deducted against payments of any fees or distributions otherwise due to the General Partner or its Affiliates. Finally, in the event that the General Partner shall fail to complete the tax return, Schedule K-1, balance sheet, financial statements and/or other information required by Section 12.1F within 10 days of the time required therefor, such failure shall constitute a default by the General Partner under Section 6.3C. Such reports and estimates shall clearly indicate the methods under which they were prepared and shall be made at the expense of the Partnership.

C. The General Partner shall deliver (or shall cause to be delivered) to the Investor Limited Partner the Cost Certification within 90 days of the Completion Date.

D. If the General Partner fails to complete such tax returns and submit such Schedules K-1 on a timely basis, the Investor Limited Partner may select a firm of accountants who shall prepare such returns and Schedule K-1. The General Partner, at their expense, shall immediately furnish all necessary documentation and other information to prepare such tax returns and such Schedules K-1 to such accountants.

E. Every Limited Partner shall at all times have access during normal business hours and upon reasonable notice to the records of the Partnership and may inspect and copy any of them. A list of the names and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request. A reasonable charge for copy work may be charged by the Partnership.

F. Within 20 days following the end of each calendar month, the General Partner shall send to each Person who was a Limited Partner at any time during such month one or more reports which, taken together, provide the following information (which need not be audited): (i) a balance sheet as at the end of such month; (ii) a statement of income for such month on the cash as well as accrual bases; (iii) a statement of cash available for distribution and reserves for such

month; (iv) a statement describing (a) any new agreement, contract or arrangement between the Partnership and a General Partner or an Affiliate of a General Partner, (b) the amount of all fees and other compensation and distributions and reimbursed expenses paid by the Partnership for the month to any General Partner or Affiliate of a General Partner and (c) the amount of all distributions of Cash Flow and Capital Transaction proceeds made to Partners and (v) a report of the significant activities of the Partnership during the month. In addition, if requested by the Investor Limited Partner in writing, within a reasonable time after receipt of such a request, each General Partner shall send to the Investor Limited Partner such recent financial statements (including a balance sheet and statement of income) as shall have been so requested.

G. The General Partner shall provide the Investor Limited Partner with (i) a copy of each draw request for construction or development costs as such requests are made to the relevant Lender; (ii) a copy of each inspection report, evaluation or similar report issued to the Partnership by each relevant Agency or Lender promptly upon receipt thereof; (iii) a copy of each low-income housing tax credit compliance report delivered to or prepared by the applicable tax credit monitoring agency or agencies with respect to the Project; (iv) prompt notice of any casualty or other significant adverse event relating to the Partnership; (v) evidence of insurance; (vi) at least annually, a schedule setting forth the adjustments necessary, if any, to state the income of the Partnership using the longer depreciable lives available under generally accepted accounting principles (rather than the depreciable lives used for federal income tax purposes); (vii) a monthly rent roll within 30 days following the end of each calendar month; (viii) within 90 days after the end of their respective fiscal years, annual financial statements (including balance sheet and income statements), current bank statements, and other financial information requested by the Special Limited Partner for each of the General Partner and Guarantor and (ix) such other information as the Investor Limited Partner may specifically reasonably request from time to time with regard to the business or operations of the Partnership.

H. If requested, the General Partner shall provide the Investor Limited Partner with a brief written summary of the status of the rehabilitation, development, lease-up and operations of the Project during the prior month.

I. An annual pro forma operating budget for the succeeding calendar year shall be prepared by the General Partner and furnished to the Investor Limited Partner by December 1 of each year.

J. Within 30 days following the close of the first year of the Credit Period with respect to the Project, the General Partner shall provide the Investor Limited Partner with a copy (in electronic form if feasible) of all records establishing the qualification of tenants under Section 42 of the Code.

K. As soon as reasonably practicable (but not longer than 60 days) after the last dwelling unit in the Project that is intended to be a Low Income Unit (as set forth in the Project Documents) becomes a Low Income Unit, the General Partner shall provide (at the expense of the Partnership), or cause the Management Agent to provide (at the expense of the Partnership), the Investor Limited Partner with copies of all documentation relating to the initial qualification of each dwelling unit in the Project as a Low Income Unit. Such documentation shall include, without limitation, all documentation pertaining to the qualification of each initial resident as a Qualified

Tenant, including, without limitation, the initial lease, all income certification documentation, and rental application for each such Qualified Tenant.

L. [Intentionally Omitted].

M. If the Partnership shall be subject to regulation by HUD and to the filing requirements of the HUD previous participation certification system, then the General Partner shall cause the Partnership and each of its Partners, the Builder, the Developer, the Management Agent and all other principals, to the extent required, to (i) promptly complete their respective registrations and baseline submissions via the internet through the HUD Active Partners Performance System and (ii) promptly submit previous participation certifications (“HUD-2530s”) electronically.

N. The General Partner shall furnish to the Investor Limited Partner for its review and approval:

(i) the Cost Certification prior to its submission to the Credit Authority;

(ii) completed and signed IRS Forms 8609 (Parts I and II) prior to submission to the Service;

(iii) documentation evidencing that fifty percent (50%) or more of the aggregate basis of each of the Buildings and the Land attributable thereto will be financed with an obligation the interest on which is exempt from tax under Section 103 of the Code and which is within the Project State’s volume cap as provided in Section 146 of the Code;

(iv) the annual certification and compliance report prepared by the Management Agent and/or General Partner and submitted to the Credit Authority as evidence of the Partnership’s compliance with the Extended Use Agreement and other matters pertaining to the Partnership’s ongoing eligibility for Federal Low Income Housing Tax Credits; and

(v) copies of any IRS Forms 8823s issued by the Credit Authority with respect to the Project.

Section 12.2 Operating Reserve Bank Accounts. Subject to any Requisite Approvals, the Operating Reserve of the Partnership shall be maintained with the Bank and withdrawals shall be made only in the regular course of Partnership business on such signatures as the General Partner shall determine. All deposits and other funds not needed in the operation of the business shall be deposited, to the extent permitted by any applicable Lender or Agency, in Short-Term Investments, which Short-Term Investments shall be selected by the General Partner.

Section 12.3 Elections. Unless the Investor Limited Partner shall specify a different permissible treatment in writing, and except to the extent otherwise required by Section 168(g)(1)(B) of the Code, the Partnership shall depreciate substantially all of its residential rental property, site improvements and personal property costs, respectively, over thirty (30) years, fifteen (15) years and five (5) years for federal income tax purposes. Notwithstanding the

foregoing, the Partnership shall make the election under Code Section 163(j)(7)(B) to be an Electing Real Property Trade or Business. The election will be effective no later than the year any residential rental property, qualified improvement property or nonresidential property is placed in service, unless otherwise directed by the Special Limited Partner. In addition, the Partnership shall use the maximum bonus depreciation permitted under Code Section 168(k) unless Special Limited Partner directs the General Partner to (a) elect out of bonus depreciation on one or more classes of property for one or more years, or (b) if allowable, elect less than the maximum amount of bonus depreciation. Notwithstanding the foregoing, the General Partner has the sole right to make any election under Section 266 of the Code and Treasury Regulations Section 1.266-1(b)(1)(i) to capitalize all permitted costs and expenses as permitted under the applicable Treasury Regulations promulgated thereunder.

Section 12.4 Special Adjustments. In the event (i) of a transfer of all or any part of any Interest or (ii) an election pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) is made by the Investor Limited Partner, the Partnership shall elect, if requested by the transferee or by the Investor Limited Partner (as the case may be), pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) to adjust the basis of Partnership assets. Any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.5 Fiscal Year. The fiscal year of the Partnership shall be the calendar year unless a different year is required by the Code.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Notices. Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, (iii) intentionally omitted, or (iv) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Partnership, at the principal office of the Partnership set forth in Section 2.2, and if to a Partner, at its address set forth in Schedule A, with copies to Nixon Peabody LLP, 100 Summer Street, Boston MA 02110, Attn: David Kavanaugh; Heritage Acres Preservation GP LLC, Attn: Fairstead Affordable LLC, 250 West 55th Street, 35th Floor, New York, NY 10019; and Williams Mullen, 999 Waterside Drive, Suite 1700, Norfolk, Virginia 23510. Attn: Alyssa Carducci Embree.

Section 13.2 Word Meanings. The words such as “herein”, “hereinafter”, “hereof”, and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context

otherwise requires. Any references to “Sections” or “Articles” are to Sections or Articles of this Agreement, unless reference is expressly made to a different document.

Section 13.3 Binding Provisions. The agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except as expressly provided to the contrary in this Agreement.

Section 13.4 Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Formation.

Section 13.5 Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto.

Section 13.6 Paragraph Titles. Paragraph titles and any table of contents herein are for descriptive purposes only and shall not affect the meaning of this Agreement as set forth in the text.

Section 13.7 Separability of Provisions; Rights and Remedies.

A. Each provision of this Agreement shall be considered separable and (i) if for any reason any provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State of Formation, such provisions shall be deemed void and of no effect.

B. Each of the parties hereto irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership is required to be continued under Article VII) any right (i) that such party may have to maintain any action for partition with respect to the property of the Partnership, and (ii) to commence an action seeking dissolution of the Partnership (unless the Consent of the Investor Limited Partner has been obtained).

C. The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any 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 limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention that the respective rights and obligations of the Partners shall be enforceable in equity as well as at law or otherwise.

D. Each Partner and Guarantor irrevocably:

- (i) agrees that any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby shall be brought in the courts of record of Henrico County, Virginia or the courts of the United States located in the Commonwealth of Virginia;

- (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding;
- (iii) waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any of such courts;
- (iv) waives its right to a jury trial with respect to any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby.

Section 13.8 Effective Date of Admission. Any Partner admitted to the Partnership during any calendar month shall be deemed to have been admitted as of the first day of such calendar month for all purposes of this Agreement including the allocation of profits, losses and credits under Article X; provided, however, that if regulations are issued by the Service or an amendment to the Code is adopted which would require, in the opinion of the Accountants, that a Partner be deemed admitted on a date other than as of the first day of such month, then the General Partners shall select a permitted admission date which is most favorable to the Partner.

Section 13.9 Amendment Procedure. This Agreement may be amended only by written agreement among all of the Partners; provided, however, that no amendment shall be made to this Agreement which will affect the rights of any Lender or Agency under the terms of any Project Document without the prior written approval of such Lender or Agency.

Section 13.10 Additional Information. At the request of the Investor Limited Partner, the General Partner shall make available for inspection or furnish to the Investor Limited Partner: (i) plans and specifications for the Project; (ii) manuals, booklets and other documents describing the location and operation of all systems within the Project, including without limitation heating, air conditioning, elevator, electrical and plumbing systems (to the extent within the General Partner's possession); (iii) a list and copies of all agreements concerning the maintenance, operation and management of the Project; and (iv) such other information regarding the Partnership or the Project as the Investor Limited Partner may reasonably request.

Section 13.11 Further Documents and Actions. The Partners and the Guarantor agree that they shall, from time to time, execute and deliver such further documents and do such further actions and things as may be reasonably requested by any other such party in order to effect fully the purposes of this Agreement and each other agreement or instrument identified on the Document Schedule.

Section 13.12 Brokers or Finders. The parties hereto agree that no broker or finder has any claim for commissions or fees in connection with the transaction embodied herein. The General Partner shall jointly and severally indemnify the Limited Partners against any brokers' or finders' fees or commissions claimed through any General Partner or its Affiliates in connection with the transactions contemplated hereby, including without limitation fees or commissions claimed by any syndicator or consultant engaged by any General Partner or any of its Affiliates.

Section 13.13 Delivery of Certificate. Promptly upon the filing of the Certificate and each amendment thereto in the Filing Office, the General Partner shall deliver or mail a copy thereof to each Limited Partner.

Section 13.14 Signs. The General Partner shall, at the expense of the Partnership, cause a sign to be placed and maintained on a suitable location on the Land indicating that the Investor Limited Partner or an Affiliate is providing financial assistance to the Project, which sign may include other information regarding the Project.

Section 13.15 Access to Property. The Limited Partners and/or their designated representatives shall have the right to visit the Property upon advance notice to the General Partner or the Management Agent, subject to the rights of tenants under the leases.

Section 13.16 Representation of the Investor Limited Partner and the Special Limited Partner. The Investor Limited Partner and the Special Limited Partner hereby represent, warrant and agree that to the best of the Investor Limited Partner's and the Special Limited Partner's knowledge, after due inquiry, neither the Investor Limited Partner, Special Limited Partner nor any principal of same are on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury. Both the Investor Limited Partner and the Special Limited Partner (i) are in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including, without limitation, Executive Order 13224, (ii) are not, nor is any affiliate, on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) is not otherwise identified by a government entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, "U.S. Person" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

Section 13.16 Single Purpose Entity Requirements.

- (a) **Single Purpose Entity Requirements.** Until the Indebtedness is paid in full, each Borrower and any SPE Equity Owner will remain a "Single Purpose Entity," which means at all times since its formation and thereafter it will satisfy each of the following conditions (capitalized terms in this subsection have the definitions assigned in the Continuing Covenant Agreement by and between the Partnership and Bank):
- (i) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.
 - (ii) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.
 - (iii) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its

formation or organization and will do all things necessary to observe organizational formalities.

- (iv) It will not merge or consolidate with any other Person.
- (v) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Continuing Covenant Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.
- (vi) It will not, without the prior unanimous written consent of all of Borrower's partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of Borrower or the SPE Equity Owner, take any of the following actions:
 - (A) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Borrower or any SPE Equity Owner be adjudicated bankrupt or insolvent.
 - (B) Institute proceedings under any applicable insolvency law.
 - (C) Seek any relief under any law relating to relief from debts or the protection of debtors.
 - (D) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower or any SPE Equity Owner.
 - (E) File a petition seeking, or consent to, reorganization or relief with respect to Borrower or any SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency.
 - (F) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or a substantial part of its property or for any SPE Equity Owner or a substantial part of its property.
 - (G) Make any assignment for the benefit of creditors of Borrower or any SPE Equity Owner.
 - (H) Admit in writing Borrower's or any SPE Equity Owner's inability to pay its debts generally as they become due.

- (I) Take action in furtherance of any of the foregoing.
- (vii) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in Section 6.13 of the Continuing Covenant Agreement.
- (viii) It will not own any subsidiary or make any investment in, any other Person.
- (ix) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.
- (x) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:
 - (A) The Indebtedness and any Supplemental Loans.
 - (B) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.
 - (C) through (H) are reserved.
- (xi) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that Borrower's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of Borrower from such Affiliate and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person, and (B) such assets will also be listed on Borrower's own separate balance sheet.
- (xii) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of Borrower or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and

conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

- (xiii) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.
- (xiv) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Project Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.
- (xv) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Financing Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).
- (xvi) It will file its own tax returns separate from those of any other Person, unless Borrower (A) is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law or (B) is required by applicable law to file consolidated tax returns, and will pay any taxes required to be paid under applicable law.
- (xvii) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.
- (xviii) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, nothing in Section 6.13(a)(xviii) of the Continuing Covenant Agreement will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.
- (xix) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.

- (xx) It will pay (or cause the Property Manager to pay on behalf of Borrower from Borrower's funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, nothing in Section 6.13(a)(xx) of the Continuing Covenant Agreement will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.
- (xxi) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.
- (xxii) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.
- (xxiii) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, nothing in Section 6.13(a)(xxiii) of the Continuing Covenant Agreement will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Agreement of Limited Partnership under seal as of the day and year first above written.

GENERAL PARTNER:

HERITAGE ACRES PRESERVATION GP LLC, a Delaware limited liability company

By:  _____
Name: John Tatum
Title: Authorized Signatory

ORIGINAL LIMITED PARTNER:

FA ACQUISITIONS LLC, a Delaware limited liability company

By:  _____
Name: John Tatum
Title: Authorized Signatory

INVESTOR LIMITED PARTNER:

**STCC HERITAGE ACRES PRESERVATION
LLC**, a Georgia limited liability company

By: SunTrust Community Capital, LLC, a Georgia
limited liability company, its manager

By: 

Name: Nora C. Vlahoyiannis

Title: Senior Vice President

SPECIAL LIMITED PARTNER:

CDC SPECIAL LIMITED PARTNER, L.L.C., a
Georgia limited liability company

By: SunTrust Community Capital, LLC, a Georgia
limited liability company, its manager

By: 

Name: Nora C. Vlahoyiannis

Title: Senior Vice President

SCHEDULE A

HERITAGE ACRES PRESERVATION LP

PARTNERS AND CAPITAL CONTRIBUTIONS

<u>Name and Business Address</u>	<u>Capital Contributions</u>	<u>Percentage of Partnership Interests for Class</u>
<u>GENERAL PARTNER:</u>		
Heritage Acres Preservation GP LLC 250 West 55 th Street, 35 th Floor New York, New York 10019 Attn: Fairstead Affordable LLC	\$100	100%
<u>INVESTOR LIMITED PARTNER:</u>		
STCC Heritage Acres Preservation LLC SunTrust Community Capital, LLC Mail Code GA-ATL-0243 c/o SunTrust Community Capital, LLC 1155 Peachtree Street, N.E., Suite 300 Atlanta, Georgia 30309	\$3,324,000 *	100%
<u>SPECIAL LIMITED PARTNER:</u>		
CDC Special Limited Partner, L.L.C. SunTrust Community Capital, LLC Mail Code GA-ATL-0243 c/o SunTrust Community Capital, LLC 1155 Peachtree Street, N.E., Suite 300 Atlanta, Georgia 30309	\$10.00	100%

*\$664,800 has been paid in as of the date of the Investment Closing; additional amounts are required to be paid in pursuant to Section 5.1A, subject to adjustment and conditions to payment as provided herein.

EXHIBIT 1

HERITAGE ACRES PRESERVATION LP

ACCOUNTANT'S CERTIFICATION

[attached behind]

EXHIBIT 2

HERITAGE ACRES PRESERVATION LP

SECOND INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Heritage Acres Preservation LP (the "Partnership"), does hereby certify to STCC Heritage Acres Preservation LLC, a Georgia limited liability company ("the Investor Limited Partner"), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of August 17, 2018 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Second Installment have been satisfied.
2. The amount of the Second Installment is \$ _____.
3. The Fifty Percent Completion Date occurred on _____. Evidence thereof is attached hereto.
4. April 1, 2019 has occurred.
5. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
6. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.2 of the Partnership Agreement.
7. No Material Default has occurred and is continuing.
8. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.
9. Attached hereto is a date-down endorsement to the Title Policy dated within thirty (30) days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20____.

GENERAL PARTNER:

**HERITAGE ACRES PRESERVATION GP
LLC, a Delaware limited liability company**

By: _____

Name:

Title:

EXHIBIT 3

HERITAGE ACRES PRESERVATION LP

THIRD INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Heritage Acres Preservation LP (the “Partnership”), does hereby certify to STCC Heritage Acres Preservation LLC, a Georgia limited liability company (“the Investor Limited Partner”), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of August 17, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Third Installment have been satisfied.

2. The amount of the Third Installment is \$ _____.

3. The Completion Date occurred on _____. Evidence thereof is attached hereto.

4. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

6. No Material Default has occurred and is continuing.

7. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

8. Attached hereto is a date-down endorsement to the Title Policy dated within thirty (30) days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20__.

GENERAL PARTNER:

**HERITAGE ACRES PRESERVATION GP
LLC, a Delaware limited liability company**

By: _____
Name:
Title:

EXHIBIT 4

HERITAGE ACRES PRESERVATION LP

FOURTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Heritage Acres Preservation LP (the “Partnership”), does hereby certify to STCC Heritage Acres Preservation LLC, a Georgia limited liability company (“the Investor Limited Partner”), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of August 17, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fourth Installment have been satisfied.

2. The amount of the Fourth Installment is \$ _____.

3. October 1, 2019 has occurred.

4. Attached hereto is a recorded copy of the Extended Use Agreement.

5. Attached hereto is the final approved Cost Certification prepared by the Accountants.

6. The Stabilized Occupancy Date has been achieved and maintained for a period of not less than 90 consecutive days ending _____. Copies of the tenant income certifications and first-year tenant files for each of the Qualified Tenants in the Property have been delivered to the Special Limited Partner.

7. Final Closing has occurred or is scheduled to occur at the time of payment of this Fourth Installment.

8. The Operating Reserve has been funded or will be funded at the time of payment of this Fourth Installment.

9. The Stabilized Operations Date has been achieved, as evidenced by the Accountant’s determination letter attached hereto as Attachment A.

10. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

11. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

12. No Material Default has occurred and is continuing.

13. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

14. Attached hereto is a date-down endorsement to the Title Policy dated within 30 days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

15. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.

16. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

17. No Material Default has occurred and is continuing.

18. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 2017.

GENERAL PARTNER:

**HERITAGE ACRES PRESERVATION GP
LLC**, a Delaware limited liability company

By: _____
Name:
Title:

Attachment A

ACCOUNTANT'S CERTIFICATE/
DETERMINATION OF DEBT SERVICE COVERAGE RATIO

[Date]

Heritage Acres Preservation LP (the "Partnership")
250 West 55th Street, 35th Floor
New York, New York 10019
Attn: Fairstead Affordable LLC

STCC Heritage Acres Preservation LLC (the "Investor Limited Partner")
SunTrust Community Capital, LLC ("SunTrust")
Mail Code GA-ATL-0243
c/o SunTrust Community Capital, LLC
1155 Peachtree Street, N.E., Suite 300
Atlanta, Georgia 30309

Re: Heritage Acres Apartments, Suffolk, Virginia

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the Investor Limited Partner and SunTrust to the accounting records of the Partnership solely to assist you in determining if the Partnership met the debt service coverage ratio requirement of the Partnership Agreement. We performed the agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We obtained and read the pertinent portions of the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of August 17, 2018 (the "Partnership Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Partnership Agreement. We also obtained an annual budget prepared by the Project's management agent for the year ended December 31, 20__.

Based upon information provided to us by the Partnership concerning a 76-unit apartment complex located in Suffolk, Virginia and commonly known as the "Heritage Acres Apartments" (the "Project"), we have performed the following procedures:

1. We have prepared a statement of income and expenses for each of the _____ months ended _____, 20__.
2. We have adjusted the statement to annualize all expenditures, including those of a seasonal or irregular nature which might reasonably be expected to be incurred on an unequal basis

during a full annual period of operations. (Examples of such expenditures include debt service, reserve funding, maintenance, utilities, snow removal and real estate taxes).

3. We have compared the budget for such period to the statement of actual results, and have made all inquiries we considered necessary with respect to any material variances.

4. We have compared the statement of actual results to underwritten expenses of \$[] per unit per month and underwritten rents of \$[] per month (which assumes a 5.00% vacancy rate).

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Partnership. **[specify procedures]**

Based upon the above procedures, we have determined that the Partnership for each of three (3) consecutive calendar months beginning on _____, 20__ has achieved a Debt Service Coverage Ratio of at least ___%. Copies of the calculations and adjustments we have made in reaching this determination and of financial statements and budgets upon which such calculations are based are attached hereto.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Partnership, the Investor Limited Partner and SunTrust Community Capital, LLC (and its affiliates) and is not intended and should not be used by anyone other than these parties.

Date: _____

[SIGNATURE]

EXHIBIT 5
HERITAGE ACRES PRESERVATION LP
FIFTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned, being the General Partner of Heritage Acres Preservation LP (the “Partnership”), does hereby certify to STCC Heritage Acres Preservation LLC, a Georgia limited liability company (“the Investor Limited Partner”), pursuant to Section 5.1E(i) of the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of August 17, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fourth Installment have been satisfied.
2. The amount of the Fifth Installment is \$ _____.
3. The Partnership has received a properly completed and signed IRS Forms 8609 from the Credit Authority for each of the Buildings, copies of which are attached hereto.
4. December 1, 2019 has occurred.
5. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
6. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
7. No Material Default has occurred and is continuing.
8. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.
9. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct.
10. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
11. No Material Default has occurred and is continuing.
12. Neither a Retirement of a General Partner nor an Event of Bankruptcy as to any General Partner, Developer or Guarantor has occurred.
13. Attached hereto is a date-down endorsement to the Title Policy dated within thirty (30) days of the date hereof, evidencing the accuracy of the representation contained in Section 6.5A (v) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 2017.

GENERAL PARTNER:

**HERITAGE ACRES PRESERVATION GP
LLC**, a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT 6

DOCUMENT SCHEDULE

**ACQUISITION BY STCC HERITAGE ACRES PRESERVATION LLC
OF A LIMITED PARTNERSHIP INTEREST IN
HERITAGE ACRES PRESERVATION LP**

As of August 17, 2018

1. Second Amended and Restated Agreement of Limited Partnership
2. Development Agreement
3. Supervisory Management Agreement
4. Guaranty Agreement
5. Closing Certificate
6. Purchase Option
7. Credit Approval
8. Investment Assumptions attached hereto as **Exhibit 8**
9. Opinion of Company Counsel
10. Owner's Policy of Title Insurance (to be delivered within 30 days of Investment Closing)
in amount of \$11,675,046 with all required endorsements
11. Tax Opinion of Nixon Peabody LLP
12. Insurance Certificates (satisfying requirements of **Exhibit 7** of the Partnership Agreement)

EXHIBIT 7

HERITAGE ACRES PRESERVATION LP

INSURANCE REQUIREMENTS

A. (a) During the course of construction, builders risk insurance (with a deductible of no more than \$10,000) protecting the buildings and structures on property during the course of construction against fire, flood, windstorm and other risks, including without limitation, sinkhole collapse, and the General Partners shall cause such insurance coverage to be in the maximum amount both as required by (i) any Lender, Agency, and the Special Limited Partner and (ii) good management practices, and in any event in an amount equal to the full replacement value of the Property (other than the Land), (b) property insurance, upon completion of the property, (with a deductible of no more than \$10,000) protecting the property against fire, flood, windstorm and other risks, including without limitation, sinkhole collapse, and the General Partner shall cause such insurance coverage to be in the maximum amount both as required by (i) any Lender, Agency, and the Special Limited Partner and (ii) good management practices, and in any event in an amount equal to the full replacement value of the Property (other than the Land), (c) business or rental interruption insurance in a minimum amount sufficient to provide coverage for the loss of rental income to the Partnership for the time required to rebuild the property in the event of a total loss, and (d) commercial general liability insurance for the benefit of the Partnership and its Partners, written on a per occurrence basis, to include coverage for Broad Form Property Damage, Bodily Injury, Personal Injury, Blanket Contractual Liability, Products/Completed Operations, with limits in at least \$6,000,000 per occurrence combined single limit (of which up to \$5,000,000 may be provided under an “umbrella” policy). The above required insurance policies shall be primary and noncontributory with respect to any other insurance maintained by the Investor Limited Partner or its affiliate companies.

- (i) Except where otherwise noted, all of the insurance contracts required by this Agreement shall (i) be written by insurance with an A.M. Best Rating of not less than “A-”, and licensed to do business in the state in which the Property is located; (ii) specifically identify the Partnership as a named insured and the Investor Limited Partner as an additional insured; and (iii) include a provision requiring the insurance company to notify the Investor Limited Partner in writing no less than 30 days prior to any cancellation or non-renewal of coverage. The commercial general liability insurance (and any applicable umbrella liability insurance) shall specifically be endorsed to name as Additional Insureds, the Investor Limited Partner its subsidiaries, affiliate companies, its officers, directors and employees. In addition, the General Partner shall (a) provide the Investor Limited Partner with certificates or memoranda of insurance required by this Agreement within three days of their inception and subsequent renewals and (b) deliver to the Investor Limited Partner certified copies of all insurance contracts as the Investor Limited Partner may reasonably request from time to time to confirm that the provisions of this Agreement shall have been complied with. It shall also be the responsibility of the General Partner to notify the Investor Limited Partner of any material change resulting in a reduction in the coverage afforded to the Partnership in the aforementioned policies of insurance.

- (ii) It is understood by all parties that the Partnership shall not maintain any employees. It shall be the responsibility of the General Partner to maintain workers compensation insurance for its employees providing statutory workers compensation limits and \$1,000,000 in employer's liability limits. The General Partner shall require the Management Agent to maintain workers compensation insurance for its employees providing statutory workers compensation limits and \$1,000,000 in employer's liability limits. The General Partner shall require its workers compensation insurer and the Management Agent's workers compensation insurer to include in its insurance policies a waiver of subrogation clause in favor of the Partnership and the Limited Partners. In cases where an automobile is used on the Property by the Management Agent in the course and scope of its duties as defined in a separate agreement, it shall be the responsibility of the General Partner to ensure that automobile liability insurance is continually maintained by the Management Agent in accordance with the above insurer requirements and at a combined single limit of \$1,000,000. The automobile liability insurance shall name the Partnership and the Investor Limited Partner (including its subsidiaries, affiliate companies, its officers, directors and employees) as Additional Insureds. It shall be the responsibility of the General Partner to ensure that any contractors or subcontractors performing work on the premises (during the course of construction or upon completion of construction) provide evidence of commercial general liability insurance, automobile liability insurance and workers compensation insurance at the limits detailed below:
- (1) Commercial general liability insurance written on a per occurrence basis, to include coverage for Broad Form Property Damage, Bodily Injury, Personal Injury, Blanket Contractual Liability, Products/Completed Operations, with limits in at least \$6,000,000 per occurrence combined single limit (of which up to \$5,000,000 may be provided under an "umbrella" policy). This policy shall name the Partnership and the Investor Limited Partner (including its subsidiaries, affiliate companies, its officers, directors and employees) as Additional Insureds.
 - (2) Automobile liability insurance in an amount of not less than \$1,000,000 combined single limit. Such policy shall include coverage for all vehicles owned, hired, non-owned and borrowed by the contractor or subcontractor in the performance of work on the subject property.
 - (3) Workers compensation insurance providing statutory workers compensation limits and \$1,000,000 in employer's liability limits

The above required insurance policies maintained by the General Partner, Management Agent and/or any contractors or subcontractors shall be primary and noncontributory with respect to any other insurance maintained by the Partnership or by the Investor Limited Partner or its affiliate companies.

EXHIBIT 8

HERITAGE ACRES PRESERVATION LP

INVESTMENT ASSUMPTIONS

[attached behind]

8/16/2018

ST LIHTC Proforma - Heritage Acres - 8-16-2018 FINAL

Heritage Acres

Fairstead Affordable

Developer

Heritage Acres Preservation LP

Partnership

Heritage Acres Preservation GP, LLC

General Partner

STCC Heritage Acres Preservation LLC

Limited Partner

**Heritage Acres Preservation LP
Schedule of Inputs and Assumptions**

Parties/Players				
Partnership Name	Heritage Acres Preservation LP	General Partner (1)	Heritage Acres Preservation GP, LLC	
Project Name	Heritage Acres	General Partner (2)		
Developer (1)	Fairstead Affordable	Investor Limited Partner (1)	STCC Heritage Acres Preservation LLC	
Developer (2)		Special Limited Partner	CDC Special Limited Partner LLC	

Tax Credit Information				
Federal Credit Price	0.9500	New/Rehab?		Rehab
State Low Income		Bond Deal? (Y or N)		Y
Federal Historic		Acquisition Credits (Y or N)		Y
State Historic		Acq Credit Rate		3.29%
QCT/DDA? (Y or N)	N	New Construction Credit Rate		3.29%
Is there a HOME loan? (Y or N)	N	Tax Credit Rate Locked In? (Y or N)		N
Investment Method?	Direct	Amount of Allocation	\$	-
Disguised Sale (Y or N)?	N	Year of Allocation		2019

Applicable Percentages				
	Ownership		Cash Flow	Special Allocations
General Partner (1)	GP (1)	0.010%	90.00%	100.00%
General Partner (2)	GP (2)	0.0000%	0.00%	0.00%
Investor Limited Partner (1)	LP (1)	99.99%	10.00%	0.00%
Special Limited Partner	SLP	0.00%	0.00%	0.00%

Important Dates				
Closing Date	8/1/2018	Lease Up Period		1
Construction Start	8/1/2018	Months until Stabilization		5
Construction End	7/1/2019			
Construction Period	11			

Capital Contributions

Federal Equity Contributions				
Installment	Description	Percentages	Date	Equity
1st	Admission	20.0%	8/1/2018	\$ 664,800
2nd	50% Completion	40.0%	4/1/2019	\$ 1,329,600
3rd	75% Completion	0.0%	4/1/2019	\$ -
4th	Completion	10.0%	9/1/2019	\$ 332,400
5th	Stabilization	15%	10/1/2019	\$ 498,600
6th	Tax Return/8609	15%	12/1/2019	\$ 498,600
Federal Equity Bridge Interest Rate		100%		\$ 3,324,000

**Heritage Acres Preservation LP
Schedule of Inputs and Assumptions**

General				
Location		ty of Suffolk, VA	First Year Credit Assumption	100.0%
Year Construction is Complete		2019	Second Year Credit Assumption	100.0%
Year Operations Begin		2019	Third Year Credit Assumptions	100.0%
Number of Units		76	SunTrust Tax Rate	24.000%
Number of Low Income Units		76	County	Suffolk
Replacement Reserve/unit		303	New or Rehab?	Rehab
RR Escalator		0.00%	Construction Contingency (%)	8.700%
Replacement Reserve Interest Rate		0.0%	Section 8 Property? (Y or N)	Y
Working Capital Reserve		195,914	Interim Income as a Source?	Yes
Paid out of development costs? (Y or N)		Y	Percentage Low Income	100.0%
WCR Escalator		0%	Rural (Y or N)	N
Operating Deficit Loan Max		786,017	Commercial Space Percentage	
Operating Deficit Loan Yr Committed To		5	Cash Developer Fee (%)	4.05%
Operating Deficit Loan Interest Rate		0%	Cash Fee to be paid from Equity	\$ -
GP Equity Override			Deferred Developer Fee	\$ 1,446,362
Voluntary Partner Loans Interest Rate			Related Party Const Co? (Y or N)	Y
First Year Credit Delivery		2019		

Number of Buildings	Basis % of Total		7
	Building 1 PIS	100%	11/1/2018
		100%	
Land - As Is			
Building - As Is			
Total - Inc Approach (Restricted)			
Is the GP a Non-profit? (Y or N)			N
Operating Deficit Guarantee	\$		786,017
Operating Deficit Guarantee Start			1/1/2019
Operating Deficit Guarantee End			1/1/2024

Unit Type	Income				
	#	Sq Ftg	Net	UA	Gross
1BR	12	600	885	98	\$ 983
2BR	52	800	985	103	1,088
3BR	8	950	1,125	126	1,251
4BR	4	1,300	1,225	159	1,384
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Income Generating Units	76	3,650	\$ 4,220	\$ 486	\$ 4,706

Gross Potential Revenue	\$ 908,880
Vacancy loss, Year 1	5.00%

Expenses				
Expense Escalator, Year 1		3		3%
Expense Escalator, Year 2				3%
Expense Escalator, Years 3-16				3%
Property Management Fee (% of revenue)				4.20%
Property Management Fee Start Date				1/1/2019
Asset Mgmt Fee (per unit)	\$			50
Asset Mgmt Fee Escalator %				3%
Asset Mgmt Fee Start Year				2019
Incentive Mgmt Fee (%)				12%
Incentive Mgmt Fee Start Date				1/1/2019
	Per Unit	Total	Start Date	
Operating Expenses	\$ 866	\$ 65,810	7/1/2018	
Property Tax	474	36,000	7/1/2018	
Insurance	570	43,341	7/1/2018	
Payroll	-	0	7/1/2018	
Repair & Maintenance	1,346	102,290	7/1/2018	
Utilities	1,132	86,000	7/1/2018	
Property Management Fee	480	36,479	7/1/2018	
Total Expenses per Unit Before RR	\$ 4,867	\$ 369,920		0

Commercial Income Start Date				1/0/1900
	Sq Ftg	Rent/SF		
Commercial	0	0		0
Comm Vacancy, Year 1				

**Heritage Acres Preservation LP
Schedule of Inputs and Assumptions**

Vacancy loss, Year 2	5.00%	Comm Vacancy, Year 2	
Vacancy loss, Years 3 - 16	5.00%	Comm Vacancy, Years 3 - 16	
Rental Growth	2.00%	Interest Income/Unit/Year	
Year Rental Growth Starts	2020	Commercial Growth Year 1	2%
		Commercial Growth Year 2	3%
Other Income/Unit/Year	\$ 67	Commercial Growth Years 3-16	4%
		Grant Amount	

**Heritage Acres Preservation LP
Schedule of Financing**

LOAN PRODUCT

Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
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INPUT - INTEREST ONLY PERIOD

Additional Interest Reserve (months)	-	-	-	-	-	-
Total Interest Only Period (months)	17	17	17	17	17	17

INPUT - GENERAL TERMS

	Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Loan Amount	\$ 6,660,000	\$ -	\$ -	\$ -	\$ -		
Amortization Term (months)	420	480	480	420	420	420	29
Origination Date	8/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018
Loan Amortization Schedule Start Date	1/1/2019	1/0/1900	1/0/1900	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Amortization Override	N	N	Y	N	Y	N	Y
Soft Debt (Y or N)?	N	N	Y	N	Y	N	N
Interest Only?	No	No	No	No	No	Yes	Yes
Loan Term (months)	192	420	420	420	420		29
Interest Rate Protection (Y or N)?	Y	N	N	N	N	N	N
If Y, what type? (Swap, Collar or Cap)							
Term of Rate Protection (months)							
Non-Recourse (Y or N)?	Y	Y	Y	Y	Y	Y	Y
Reserve Amount During Construction	-	-	-	-	-	-	-
Available during construction (Y or N)?	Y	Y	N	N	N	N	N

INPUT - RATE STACK (Permanent Loan)

	Freddie TEL	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Base Interest Rate	4.790%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Rate Index							
Floating or Fixed?	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Rate Quote Date							

Underwriting Interest Rate

4.790%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
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INPUT - RATE STACK (Construction Loan)

	Construction Loan	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6	Loan 7
Base Interest Rate	4.790%	0.000%	0.000%	0.00%	0.00%	0.00%	0.00%
Rate Index		-					
Floating or Fixed?							
Rate Quote Date							

Plus: Underwriting Cushion

0.00%	0.00%						
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Total

4.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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**Heritage Acres Preservation LP
Uses and Development Funds**

	Total	Acq	New	Ineligible	Historic	Amortizable	Useful Life (For Amortizable Costs)	Cost Per Unit
Pre-development Costs								
Appraisal	\$ 7,250	\$ -	\$ 7,250 *	\$ -	\$ -	\$ -		\$ 95
Market Study	4,600	-	4,600 *	-	-	-		61
Environmental	-	-	-	-	-	-		-
Soil Borings	-	-	-	-	-	-		-
DCA Loan Application	-	-	-	-	-	-		-
Tax Credit Application Fees	-	-	-	-	-	-		-
Survey/Engineering	1,700	-	1,700 *	-	-	-		22
Other:third parties	25,000	-	25,000 *	-	-	-		329
Other:PNA	2,500	-	2,500 *	-	-	-		33
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Acq								
Land	500,000	-	-	500,000	-	-		6,579
Acquisition Legal Fees	-	-	-	-	-	-		-
Existing Structure	5,179,137	5,179,137	-	-	-	-		68,147
On-Site Improvements	-	-	-	-	-	-		-
Off-Site Improvements	-	-	-	-	-	-		-
Construction								
Hard Cost Construction	2,836,162	-	2,836,162 *	-	-	-		37,318
Furnishings	20,000	-	20,000 *	-	-	-		263
Appliances	-	-	-	-	-	-		-
Construction Contingency	283,616	-	283,616 *	-	-	-		3,732
Other Eligible: Construction Mgmt	-	-	-	-	-	-		-
Other Eligible: Softscapes/Hardscapes	-	-	-	-	-	-		-
Other Eligible:	-	-	-	-	-	-		-
Other Ineligible:	-	-	-	-	-	-		-
Other Ineligible:	-	-	-	-	-	-		-
Other Ineligible:	-	-	-	-	-	-		-
GC Serv								
Builder's Overhead	56,723	-	56,723 *	-	-	-		746
Builder Profit	170,170	-	170,170 *	-	-	-		2,239
Const. Gen. Requirements	170,170	-	170,170 *	-	-	-		2,239
Payment & Performance - Letter of Credit	48,348	-	48,348 *	-	-	-		636
Const Fin								
Construction Loan Fee	-	-	-	-	-	-		-
Construction Period Interest	-	-	-	-	-	-		-
Construction Legal Fees	-	-	-	-	-	-		-
Construction Insurance	-	-	-	-	-	-		-
Construction Monitoring	21,000	-	21,000 *	-	-	-		276
Profess fees								
Other: Professional Fees	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Architectural Fee - Design	115,000	-	115,000	-	-	-		1,513
Architectural Fee - Supervision	35,000	-	35,000	-	-	-		461
Engineering	-	-	-	-	-	-		-
Real Estate Attorney	79,512	-	61,200 *	18,312	-	-		1,046
Accounting	12,000	-	12,000 *	-	-	-		158
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Gov't								
Building Permits	25,000	-	25,000 *	-	-	-		329
Impact Fees	-	-	-	-	-	-		-
Real Estate Taxes	-	-	-	-	-	-		-
Financing								
Other:	-	-	-	-	-	-	15	-
Other:	-	-	-	-	-	-	15	-
Other:	-	-	-	-	-	-	30	-
Other:	-	-	-	-	-	-	30	-
Permanent Loan Fees	106,600	-	-	-	-	106,600		1,403
Permanent Loan Legal Fees	120,250	-	-	120,250	-	-		1,582
Title & Recording Fees	30,984	-	15,984 *	15,000	-	30,984		408
As-Built Survey	-	-	-	-	-	-		-
Cost of Issuance	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Equity Costs								
Tax Credit Reservation Fee	26,085	-	-	26,085	-	-		343
Compliance Monitoring Fee	-	-	-	-	-	-	10	-
Ptshp Org Costs	-	-	-	-	-	-		-
Bridge Loan Fee and Interest	-	-	-	-	-	-		-
Tax Credit Legal Opinion	-	-	-	-	-	-	15	-
Equity Investor's Fee	-	-	-	-	-	-	15	-
Tax Credit Legal Fees	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
Start Up & Reserves								
Developer's Fee	1,507,438	-	1,507,438 *	-	-	-		19,835
Rent Up Reserve	-	-	-	-	-	-		-
Working Capital Reserve	195,914	-	-	195,914	-	-		2,578
Marketing & Advertising	-	-	-	-	-	-		-
Operating Deficit Reserve	-	-	-	-	-	-		-
Replacement Reserve	-	-	-	-	-	-		-
Other: relocation	19,000	-	-	19,000	-	-		250
Other: travel and entity exp	18,000	-	5,000 *	13,000	-	-		237
Other: tax and insurance escrow	32,500	-	-	32,500	-	-		428
Other: soft cost contingency	25,387	-	25,387 *	-	-	-		334
Other:	-	-	-	-	-	-		-
Other:	-	-	-	-	-	-		-
TOTAL USES	<u>\$ 11,675,046</u>	<u>\$ 5,179,137</u>	<u>\$ 5,449,248</u>	<u>\$ 940,061</u>	<u>\$ -</u>	<u>\$ 137,584</u>		<u>153,619</u>

**Heritage Acres Preservation LP
Credit Presentation**

Project Name:	Heritage Acres
Project Location:	, City of Suffolk, VA

SOURCES - PERMANENT		AMOUNT	%
Freddie TEL		\$ 6,660,000	57%
Federal LIHTC Equity		3,324,000	28%
Federal Historic Equity		-	0%
State LIHTC Equity		-	0%
Deferred Development Fee	96%	1,446,362	12%
Loan 2		-	0%
Loan 3		-	0%
Loan 4		-	0%
Loan 5		-	0%
Loan 6		-	0%
Loan 7		-	0%
Grant		-	0%
Income during Construction		244,683	2%
GP Equity		-	0%
TOTAL SOURCES		\$ 11,675,046	100%

USES - PERMANENT		AMOUNT	\$/UNIT	%
Land/Building		\$ 5,679,137	74,725	49%
Hard Construction		2,904,510	38,217	25%
Site Work		-	-	0%
GenRe/OH/Profit		397,063	5,225	3%
Contingency		283,616	3,732	2%
Bridge Loan Interest		-	-	0%
Interest Reserve		-	-	0%
Soft Costs		707,368	9,307	6%
Developer Fee		1,507,438	19,835	13%
Working Cap. Res.		195,914	2,578	2%
Rentup Reserve		-	-	0%
Operating Def. Res.		-	-	0%
Replacement Res.		-	-	0%
TOTAL USES		\$ 11,675,046	\$ 153,619	100%

SOURCES - CONSTRUCTION PRD		AMOUNT	%
Freddie TEL		\$ 6,660,000	68%
Federal LIHTC Equity		1,994,400	20%
Federal Historic Equity		-	0%
State LIHTC Equity		-	0%
Deferred Development Fee		-	0%
Loan 2		-	0%
Loan 3		-	0%
Loan 4		-	0%
Loan 5		-	0%
Loan 6		-	0%
Loan 7		-	0%
Grant		-	0%
Income during Construction		174,397	2%
GP Equity		905,000	9%
TOTAL SOURCES		\$ 9,733,797	100%

USES - CONSTRUCTION PRD		AMOUNT	\$/UNIT	%
Land/Building		\$ 5,679,137	74,725	58%
Hard Construction		2,643,104	34,778	27%
Site Work		-	-	0%
GenRe/OH/Profit		359,496	4,730	4%
Contingency		283,616	3,732	3%
Bridge Loan Interest		-	-	0%
Interest Reserve		-	-	0%
Soft Costs		707,368	9,307	7%
Developer Fee		61,076	804	1%
Working Cap. Res.		-	-	0%
Rentup Reserve		-	-	0%
Operating Def. Res.		-	-	0%
Replacement Res.		-	-	0%
TOTAL USES		\$ 9,733,797	\$ 128,076	100%

Unit Type	Income Target	# of Units	Net Rent	UA	Gross Rent	Square Footage	Market Rent	Contract Rent as % of Mkt	LIHTC Max Rent
1BR	60%	12	\$885	\$98	\$983	600	\$955	93%	745
2BR	60%	52	\$985	\$103	\$1,088	800	\$1,065	92%	909
3BR	60%	8	\$1,125	\$126	\$1,251	950	\$1,125	100%	1,044
4BR	60%	4	\$1,225	\$159	\$1,384	1300	\$1,225	100%	1,146
		76	997	1104	811	811	1062	94%	910

CASH FLOW PROFORMA

Year **2020** Add +1 if you need to calculate during a short year

	Amount	\$/Unit	\$/SF
Income			
Gross Rental Revenue	\$ 927,058	\$ 12,198	\$15.05
Less: Vacancy	(46,353)	(610)	-\$0.75
Plus: Other Income	5,202	68	\$0.08
Gross Rental Income	\$ 885,907	11,657	\$153.38

Expenses			
Operating Expenses	67,784	892	\$1.10
Property Tax	37,080	488	\$0.60
Insurance	44,641	587	\$0.72
Payroll	-	-	\$0.00
Repair & Maintenance	105,359	1,386	\$1.71
Utilities	88,580	1,166	\$1.44
Property Management Fee	36,990	487	\$0.60
Total Expenses	380,434	5,006	\$65.86

Replacement Reserve	23,028	303	\$3.99
NET OPERATING INCOME	\$ 482,444	\$ 6,348	\$83.53

Debt Service Requirements		DSCR
Freddie TEL	\$ 393,069	1.23
Loan 2	\$ -	1.23
Loan 3	\$ -	1.23
Loan 4	\$ -	1.23
Loan 5	\$ -	1.23
Loan 6	\$ -	1.23
Loan 7	\$ -	1.23

Breakeven Occupancy **85%**

**Heritage Acres Preservation LP
Estimated Project Lease Up**

	Number of Units Under Construction	Monthly Units Leased	% of Units Complete
Aug-18	76	-	0.00%
Sep-18	76	-	0.00%
Oct-18	76	-	0.00%
Nov-18	76	-	0.00%
Dec-18	76	-	0.00%
Jan-19	-	76	100.00%
Feb-19	-	-	100.00%
Mar-19	-	-	100.00%
Apr-19	-	-	100.00%
May-19	-	-	100.00%
Jun-19	-	-	100.00%
Jul-19	-	-	100.00%
Aug-19	-	-	100.00%
Sep-19	-	-	100.00%
Oct-19	-	-	100.00%
Nov-19	-	-	100.00%
Dec-19	-	-	100.00%
Jan-20	-	-	100.00%
Feb-20	-	-	100.00%
Mar-20	-	-	100.00%
Apr-20	-	-	100.00%
May-20	-	-	100.00%
Jun-20	-	-	100.00%
Jul-20	-	-	100.00%
Aug-20	-	-	100.00%
Sep-20	-	-	100.00%
Oct-20	-	-	100.00%
Nov-20	-	-	100.00%
Dec-20	-	-	100.00%
Jan-21	-	-	100.00%
Feb-21	-	-	100.00%
Mar-21	-	-	100.00%
Apr-21	-	-	100.00%
May-21	-	-	100.00%
Jun-21	-	-	100.00%
Jul-21	-	-	100.00%
Aug-21	-	-	100.00%
Sep-21	-	-	100.00%
Oct-21	-	-	100.00%
Nov-21	-	-	100.00%
Dec-21	-	-	100.00%
Jan-22	-	-	100.00%
Feb-22	-	-	100.00%
Mar-22	-	-	100.00%
Apr-22	-	-	100.00%
May-22	-	-	100.00%
Jun-22	-	-	100.00%
Jul-22	-	-	100.00%

**Heritage Acres Preservation LP
Estimated 1st Year Credits**

Phase in of Units

1st Yr Credits	\$	349,674	100.00%	Assume no credits until year lease up is complete?	No
2nd Yr Credits	\$	349,674	100.00%	Number of units under construction	76
3rd Yr Credits	\$	349,674	100.00%		

	Number of Units Under Construction	Monthly Units Completed	% of Units Complete	Monthly Units Occupied	Monthly Units Qualified	Cumulative # Units Occupied	Cumulative # Units Qualified	Override?		Applicable Fraction	Tax Credits \$
								% of Units Leased	Override Fraction		
Aug-18	76		0.00%			-	-	0.00%	0.00%	0.00%	\$ -
Sep-18	76		0.00%			-	-	0.00%	0.00%	0.00%	-
Oct-18	76		0.00%			-	-	0.00%	0.00%	0.00%	-
Nov-18	76		0.00%			-	-	0.00%	0.00%	0.00%	-
Dec-18	76		0.00%			-	-	0.00%	0.00%	0.00%	-
Jan-19	-	76	100.00%	76	76	76	76	100.00%	0.00%	100.00%	29,139
Feb-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Mar-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Apr-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
May-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jun-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jul-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Aug-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Sep-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Oct-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Nov-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Dec-19	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jan-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Feb-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Mar-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Apr-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
May-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jun-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jul-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Aug-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Sep-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Oct-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Nov-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Dec-20	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jan-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Feb-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Mar-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Apr-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
May-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jun-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jul-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Aug-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Sep-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Oct-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Nov-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Dec-21	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jan-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Feb-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Mar-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Apr-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
May-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jun-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
Jul-22	-		100.00%			76	76	100.00%	0.00%	100.00%	29,139
		<u>76</u>		<u>76</u>	<u>76</u>						

**Heritage Acres Preservation LP
Revenue Detail - Asset Management**

*Column shows N/A if all units are not leased up during the entire year

	Div/mt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	
Unit Type 1:	1BR																					
Number of Units	N/A	N/A	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rent per Unit	N/A	N/A	903	921	939	958	977	997	1,017	1,037	1,058	1,079	1,100	1,122	1,145	1,168	1,191	1,215	1,239	1,264	1,289	
Potential Rental Income			129,989	132,589	135,240	137,945	140,704	143,518	146,389	149,316	152,303	155,349	158,456	161,625	164,857	168,154	171,517	174,948	178,447	182,016	185,656	
Unit Type 2:	2BR																					
Number of Units	N/A	N/A	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Rent per Unit	N/A	N/A	1,005	1,025	1,045	1,066	1,088	1,109	1,131	1,154	1,177	1,201	1,225	1,249	1,274	1,300	1,326	1,352	1,379	1,407	1,435	
Potential Rental Income			626,933	639,471	652,261	665,306	678,612	692,184	706,028	720,149	734,552	749,243	764,228	779,512	795,102	811,004	827,225	843,769	860,644	877,857	895,414	
Unit Type 3:	3BR																					
Number of Units	N/A	N/A	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Rent per Unit	N/A	N/A	1,148	1,170	1,194	1,218	1,242	1,267	1,292	1,318	1,344	1,371	1,399	1,427	1,455	1,484	1,514	1,544	1,575	1,607	1,639	
Potential Rental Income			110,160	112,363	114,610	116,903	119,241	121,626	124,058	126,539	129,070	131,651	134,284	136,970	139,710	142,504	145,354	148,261	151,226	154,251	157,336	
Unit Type 4:	4BR																					
Number of Units	N/A	N/A	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Rent per Unit	N/A	N/A	1,250	1,274	1,300	1,326	1,352	1,380	1,407	1,435	1,464	1,493	1,523	1,554	1,585	1,616	1,649	1,682	1,715	1,750	1,785	
Potential Rental Income			59,976	61,176	62,399	63,647	64,920	66,218	67,543	68,894	70,271	71,677	73,110	74,573	76,064	77,585	79,137	80,720	82,334	83,981	85,660	

**Heritage Acres Preservation LP
Revenue Detail - Asset Management**

*Column shows N/A if all units are not leased up during the entire year

<u>TOTAL:</u>	<u>Devlpmnt</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>	<u>Year 16</u>	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>	<u>Year 20</u>
<u>Period</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	
Potential Rental Income	-	908,880	927,058	945,599	964,511	983,801	1,003,477	1,023,546	1,044,017	1,064,898	1,086,196	1,107,920	1,130,078	1,152,680	1,175,733	1,199,248	1,223,233	1,247,697	1,272,651	1,298,104	1,324,067
Vacancy %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy	-	45,444	46,353	47,280	48,226	49,190	50,174	51,177	52,201	53,245	54,310	55,396	56,504	57,634	58,787	59,962	61,162	62,385	63,633	64,905	66,203
Effective Income	-	863,436	880,705	898,319	916,285	934,611	953,303	972,369	991,817	1,011,653	1,031,886	1,052,524	1,073,574	1,095,046	1,116,947	1,139,285	1,162,071	1,185,313	1,209,019	1,233,199	1,257,863
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	7,284	7,430
Potential Commercial Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Commercial Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Heritage Acres Preservation LP
Revenue Detail - Asset Management**

	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048	Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053	Year 36 2054	Year 37 2055	Year 38 2056	Year 39 2057	Year 40 2058
Unit Type 1:	1BR																			
Number of Units	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rent per Unit	1,315	1,341	1,368	1,396	1,423	1,452	1,481	1,511	1,541	1,572	1,603	1,635	1,668	1,701	1,735	1,770	1,805	1,841	1,878	1,916
Potential Rental Income	189,369	193,157	197,020	200,960	204,979	209,079	213,260	217,526	221,876	226,314	230,840	235,457	240,166	244,969	249,869	254,866	259,963	265,163	270,466	275,875
Unit Type 2:	2BR																			
Number of Units	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Rent per Unit	1,464	1,493	1,523	1,553	1,584	1,616	1,648	1,681	1,715	1,749	1,784	1,820	1,856	1,893	1,931	1,970	2,009	2,049	2,090	2,132
Potential Rental Income	913,323	931,589	950,221	969,225	988,610	1,008,382	1,028,550	1,049,121	1,070,103	1,091,505	1,113,335	1,135,602	1,158,314	1,181,480	1,205,110	1,229,212	1,253,796	1,278,872	1,304,450	1,330,539
Unit Type 3:	3BR																			
Number of Units	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Rent per Unit	1,672	1,705	1,739	1,774	1,809	1,846	1,883	1,920	1,959	1,998	2,038	2,079	2,120	2,163	2,206	2,250	2,295	2,341	2,388	2,435
Potential Rental Income	160,482	163,692	166,966	170,305	173,711	177,185	180,729	184,344	188,031	191,791	195,627	199,540	203,530	207,601	211,753	215,988	220,308	224,714	229,208	233,792
Unit Type 4:	4BR																			
Number of Units	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Rent per Unit	1,820	1,857	1,894	1,932	1,970	2,010	2,050	2,091	2,133	2,175	2,219	2,263	2,309	2,355	2,402	2,450	2,499	2,549	2,600	2,652
Potential Rental Income	87,374	89,121	90,904	92,722	94,576	96,468	98,397	100,365	102,372	104,420	106,508	108,638	110,811	113,027	115,288	117,594	119,945	122,344	124,791	127,287

**Heritage Acres Preservation LP
Revenue Detail - Asset Management**

	Year 21 2039	Year 22 2040	Year 23 2041	Year 24 2042	Year 25 2043	Year 26 2044	Year 27 2045	Year 28 2046	Year 29 2047	Year 30 2048	Year 31 2049	Year 32 2050	Year 33 2051	Year 34 2052	Year 35 2053	Year 36 2054	Year 37 2055	Year 38 2056	Year 39 2057	Year 40 2058	
TOTAL:																					
Potential Rental Income	1,350,548	1,377,559	1,405,110	1,433,212	1,461,876	1,491,114	1,520,936	1,551,355	1,582,382	1,614,030	1,646,310	1,679,237	1,712,821	1,747,078	1,782,019	1,817,660	1,854,013	1,891,093	1,928,915	1,967,493	
Vacancy %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Vacancy	67,527	68,878	70,256	71,661	73,094	74,556	76,047	77,568	79,119	80,701	82,316	83,962	85,641	87,354	89,101	90,883	92,701	94,555	96,446	98,375	
Effective Income	1,283,020	1,308,681	1,334,855	1,361,552	1,388,783	1,416,558	1,444,889	1,473,787	1,503,263	1,533,328	1,563,995	1,595,275	1,627,180	1,659,724	1,692,918	1,726,777	1,761,312	1,796,538	1,832,469	1,869,119	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Income - Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	7,578	7,730	7,884	8,042	8,203	8,367	8,534	8,705	8,879	9,057	9,238	9,423	9,611	9,803	9,999	10,199	10,403	10,611	10,824	11,040	
Potential Commercial Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vacancy%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effective Commercial Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**Heritage Acres Preservation LP
Schedule of Depreciation & Amortization**

DEPRECIATION				Disjunct Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041	
Life	Convention	Period																										
Site Work	20	MY	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Replacement Reserve Withdrawals	Various	MY	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Furnishings, Equip & Appliances	7	MY	3	\$ 171,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Building 1	30	MM	11	\$ 10,518,493	\$ -	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	
TOTAL				\$ 10,689,863	\$ -	\$ 521,986	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	\$ 350,616	
CUMULATIVE DEPRECIATION				\$ -	\$ -	\$ 521,986	\$ 872,603	\$ 1,223,219	\$ 1,573,835	\$ 1,924,452	\$ 2,275,068	\$ 2,625,685	\$ 2,976,301	\$ 3,326,918	\$ 3,677,534	\$ 4,028,150	\$ 4,378,767	\$ 4,729,383	\$ 5,080,000	\$ 5,430,616	\$ 5,781,233	\$ 6,131,849	\$ 6,482,465	\$ 6,833,082	\$ 7,183,698	\$ 7,534,315	\$ 7,884,931	\$ 8,235,548
AMORTIZATION				Disjunct Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035	Year 18 2036	Year 19 2037	Year 20 2038	Year 21 2039	Year 22 2040	Year 23 2041	
Permanent Loan Fees	30			\$ 106,600	\$ 3,257	\$ 1,777	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	\$ 3,553	
Title & Recording Fees	30			\$ 30,984	\$ 947	\$ 516	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	\$ 1,033	
TOTAL				\$ 137,584	\$ 4,204	\$ 2,293	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	\$ 4,586	

Heritage Acres Preservation LP
Schedule of Depreciation & Amortization

				Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	
				2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	
DEPRECIATION																					
	Life	Convention	Period																		
Site Work	20	MY	3	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Replacement Reserve Withdrawals	Various	MY	2	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Furnishings, Equip & Appliances	5	MY	3	\$	171,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Furnishings, Equip & Appliances	7	MY	3	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Building 1	30	MM	11	\$	10,518,493	350,616	350,616	350,616	350,616	350,616	350,616	350,616	-	-	-	-	-	-	-	-	
TOTAL				\$	10,689,863	350,616	350,616	350,616	350,616	350,616	350,616	350,616	-	-	-	-	-	-	-	-	
CUMULATIVE DEPRECIATION				\$	8,586,164	8,936,780	9,287,397	9,638,013	9,988,630	10,339,246	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863	10,689,863
AMORTIZATION																					
Permanent Loan Fees	30			\$	106,600	3,553	3,553	3,553	3,553	3,553	2,073	-	-	-	-	-	-	-	-	-	
Title & Recording Fees	30			\$	30,984	1,033	1,033	1,033	1,033	1,033	602	-	-	-	-	-	-	-	-	-	
TOTAL				\$	137,584	4,586	4,586	4,586	4,586	4,586	2,675	-	-	-	-	-	-	-	-	-	

	Beg. Balance	Interest Rate	Start Date	Annual Fee	Escalator	Heritage Acres Preservation LP																	
						Cash Flow Statement																	
						Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	
						2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	
Misc Soft Debt 1																							
Misc Soft Debt 2																							
Misc Soft Debt 3																							
Misc Soft Debt 4																							
Misc Fee 1																							
Misc Fee 2																							
Number of Steps	10																						
Net Operating Income (Cash from Operations)						\$ 654,333	\$ 660,839	\$ 667,278	\$ 673,642	\$ 679,924	\$ 686,115	\$ 692,209	\$ 698,195	\$ 704,066	\$ 709,811	\$ 715,421	\$ 720,885	\$ 726,193	\$ 731,335	\$ 736,297	\$ 741,069	\$ 745,638	
Cash Used as Construction Source						(244,683)																	
Net Cash Available						654,333	660,839	667,278	673,642	679,924	686,115	692,209	698,195	704,066	709,811	715,421	720,885	726,193	731,335	736,297	741,069	745,638	
Cash Flow Requirements:																							
Working Capital Reserve																							
Replacement Reserve						23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028	23,028
Cash Flow Available for Debt Service						631,305	637,811	644,250	650,614	656,896	663,087	669,181	675,167	681,038	686,783	692,393	697,857	703,165	708,307	713,269	718,041	722,610	
Debt Service Requirements (Principal & Interest):																							
Freddie TEL						393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069
Loan 2																							
Loan 3																							
Loan 4																							
Loan 5																							
Loan 6																							
Loan 7																							
Total Debt Service						393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069	393,069
Cash Flow After Debt Service						238,236	244,742	251,181	257,545	263,827	270,019	276,112	282,098	287,969	293,714	299,324	304,788	670,410	708,307	713,269	718,041	722,610	
Cash Flow Debt Service (Principal & Interest):																							
Freddie TEL		0.00%																					
Loan 2		0.00%																					
Loan 3		0.00%																					
Loan 4		0.00%																					
Loan 5		0.00%																					
Loan 6		0.00%																					
Loan 7		0.00%																					
Total Cash Flow Debt Service																							
Cash Flow After Debt Service						238,236	244,742	251,181	257,545	263,827	270,019	276,112	282,098	287,969	293,714	299,324	304,788	670,410	708,307	713,269	718,041	722,610	
Cash Flow Increases:																							
Negative Cash Flow Loans																							
GP																							
Cash Flow After Negative Cash Flow Loans						238,236	244,742	251,181	257,545	263,827	270,019	276,112	282,098	287,969	293,714	299,324	304,788	670,410	708,307	713,269	718,041	722,610	
Voluntary Partner Loans																							
GP																							
LP																							
Cash Flow After Partner Loans						238,236	244,742	251,181	257,545	263,827	270,019	276,112	282,098	287,969	293,714	299,324	304,788	670,410	708,307	713,269	718,041	722,610	
Cash Flow Decreases:																							
Cashflow Item One																							
Voluntary Partner Loan Repayment																							
Loan Repayment GP																							
Loan Repayment LP																							
Cash Flow After Voluntary Partner Loan Repayment																							
Asset Management Fee						1	7,500	7,725	7,956	8,195	8,441	8,694	8,955	9,224	9,500	9,785	10,079	10,381	10,693	11,013	11,344	11,684	12,035
Cash Flow After Asset Management Fee						230,737	237,018	243,225	249,350	255,386	261,324	267,157	272,875	278,469	283,929	289,245	294,407	659,717	697,293	701,925	706,357	710,575	
Cash Flow after Item One:						\$ 230,737	\$ 237,018	\$ 243,225	\$ 249,350	\$ 255,386	\$ 261,324	\$ 267,157	\$ 272,875	\$ 278,469	\$ 283,929	\$ 289,245	\$ 294,407	\$ 659,717	\$ 697,293	\$ 701,925	\$ 706,357	\$ 710,575	
Cashflow Item Two																							
Voluntary Partner Loan Repayment																							
Loan Repayment GP																							
Loan Repayment LP																							
Cash Flow After Voluntary Partner Loan Repayment																							
Asset Management Fee																							
Cash Flow After Asset Management Fee																							
Deferred Developer Fee																							
DDF Principal		% of Cash Flow																					
Cash Flow After Developer's Note		100.00%				230,737	237,018	243,225	249,350	255,386	261,324	267,157	272,875	278,469	283,929	289,245	294,407	659,717	697,293	701,925	706,357	710,575	
Cash Flow after Item Two:						\$ 230,737	\$ 237,018	\$ 243,225	\$ 249,350	\$ 255,386	\$ 261,324	\$ 267,157	\$ 272,875	\$ 278,469	\$ 283,929	\$ 289,245	\$ 294,407	\$ 659,717	\$ 697,293	\$ 701,925	\$ 706,357	\$ 710,575	
Cash Flow after Item Two:						\$ 230,737	\$ 237,018	\$ 243,225	\$ 249,350	\$ 255,386	\$ 261,324	\$ 267,157	\$ 272,875	\$ 278,469	\$ 283,929	\$ 289,245	\$ 294,407	\$ 659,717	\$ 697,293	\$ 701,925	\$ 706,357	\$ 710,575	
Cash Flow Distributions:																							
GP (1)		90.00%				207,663	213,316	218,903	224,415	229,847	235,192	240,441	245,588	250,622	255,536	260,321	264,966	593,745	627,564	631,733	635,721	639,518	
LP (1)		10.00%				23,074	23,702	24,323	24,935	25,539	26,132	26,716	27,288	27,847	28,393	28,925	29,441	65,972	69,729	70,193	70,636	71,058	
SLP		0.00%																					
Total Cash Flow Distribution						\$ 230,737	\$ 237,018	\$ 243,225	\$ 249,350	\$ 255,386	\$ 261,324	\$ 267,157	\$ 272,875	\$ 278,469	\$ 283,929	\$ 289,245	\$ 294,407	\$ 659,717	\$ 697,293	\$ 701,925	\$ 706,357	\$ 710,575	
Debt Service Coverage Ratio - Freddie TEL						1.61	1.62	1.64	1.66	1.67	1.69	1.70	1.72	1.73	1.75	1.76	1.78	21.47					

**Heritage Acres Preservation LP
Allocation of Net Income (Loss)**

Dvljmt Period	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Year 16 2034	Year 17 2035		
Partnership Net Income (Loss) to be Allocated	\$ -	\$ (347,143)	\$ (167,934)	\$ (157,519)	\$ (146,888)	\$ (136,035)	\$ (124,952)	\$ (113,632)	\$ (102,068)	\$ (90,252)	\$ (78,175)	\$ (65,828)	\$ (53,203)	\$ (40,289)	\$ (27,077)	\$ (13,556)	\$ 286	\$ 14,459	
Depreciation & Amortization																			
GP (1) Heritage Acres Preservation †	0.010%	-	(52)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	
LP (1) STCC Heritage Acres Preser	99.990%	-	(524,227)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	(355,167)	
SLP CDC Special Limited Partner	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Depreciation Allocation	-	(524,279)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	(355,203)	
Partnership Net Income (Loss) to be Allocated	-	177,137	187,269	197,684	208,315	219,168	230,251	241,570	253,134	264,951	277,028	289,375	302,000	314,914	328,126	341,647	355,488	369,661	
Special Allocation of Losses (Negative Cash Flow Loans):																			
GP (1) Heritage Acres Preservation †	100.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GP (2)	0 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LP (1) STCC Heritage Acres Preser	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LP (2) N/A	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LP (3) N/A	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SLP CDC Special Limited Partner	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add1 (1) N/A	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add1 (2) N/A	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Add1 (3) N/A	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Special Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Income (Loss)																			
GP (1) Heritage Acres Preservation †	0.010%	-	18	19	20	21	22	23	24	25	26	28	29	30	31	33	34	36	37
GP (2)	0 0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP (1) STCC Heritage Acres Preser	99.990%	-	177,119	187,250	197,664	208,294	219,146	230,228	241,546	253,109	264,924	277,000	289,346	301,970	314,882	328,093	341,613	355,453	369,624
SLP CDC Special Limited Partner	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Income (Loss) Allocation	-	177,137	187,269	197,684	208,315	219,168	230,251	241,570	253,134	264,951	277,028	289,375	302,000	314,914	328,126	341,647	355,488	369,661	
Total Partnership Allocation:																			
GP (1) Heritage Acres Preservation GP, LLC	-	(35)	(17)	(16)	(15)	(14)	(12)	(11)	(10)	(9)	(8)	(7)	(5)	(4)	(3)	(1)	(1)	(1)	
LP (1) STCC Heritage Acres Preservation LLC	-	(347,108)	(167,917)	(157,503)	(146,873)	(136,021)	(124,939)	(113,621)	(102,058)	(90,243)	(78,167)	(65,821)	(53,197)	(40,285)	(27,074)	(13,554)	286	14,457	
SLP CDC Special Limited Partner LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	(347,143)	(167,934)	(157,519)	(146,888)	(136,035)	(124,952)	(113,632)	(102,068)	(90,252)	(78,175)	(65,828)	(53,203)	(40,289)	(27,077)	(13,556)	284	14,456	
Cumulative	\$ -	\$ (347,143)	\$ (515,076)	\$ (672,595)	\$ (819,483)	\$ (955,518)	\$ (1,080,469)	\$ (1,194,102)	\$ (1,296,170)	\$ (1,386,422)	\$ (1,464,596)	\$ (1,530,424)	\$ (1,583,627)	\$ (1,623,916)	\$ (1,650,993)	\$ (1,664,549)	\$ (1,664,265)	\$ (1,649,809)	

**Heritage Acres Preservation LP
704(b) Calculations**

MINIMUM GAIN CALCULATION

YEAR	Original Net Assets	Accumulated Replacement Reserves	Accumulated Depreciation	Net Assets	Non-Recourse Liabilities	Minimum Gain	Change in Min. Gain
Dvlpmt Period	\$ 11,189,863	\$ -	\$ -	\$ 11,189,863	\$ -	\$ -	\$ -
2018	11,189,863	23,028	-	11,212,891	-	-	-
2019	11,189,863	46,056	521,986	10,713,932	6,597,167	-	-
2020	11,189,863	69,084	872,603	10,386,344	6,518,388	-	-
2021	11,189,863	92,112	1,223,219	10,058,756	6,435,752	-	-
2022	11,189,863	115,140	1,573,835	9,731,167	6,349,069	-	-
2023	11,189,863	138,168	1,924,452	9,403,579	6,258,141	-	-
2024	11,189,863	161,196	2,275,068	9,075,990	6,162,761	-	-
2025	11,189,863	184,224	2,625,685	8,748,402	6,062,711	-	-
2026	11,189,863	207,252	2,976,301	8,420,813	5,957,762	-	-
2027	11,189,863	230,280	3,326,918	8,093,225	5,847,674	-	-
2028	11,189,863	253,308	3,677,534	7,765,637	5,732,196	-	-
2029	11,189,863	276,336	4,028,150	7,438,048	5,611,063	-	-
2030	11,189,863	299,364	4,378,767	7,110,460	5,483,998	-	-
2031	11,189,863	322,392	4,729,383	6,782,871	5,350,712	-	-
2032	11,189,863	345,420	5,080,000	6,455,283	5,210,899	-	-
2033	11,189,863	368,448	5,430,616	6,127,694	5,064,240	-	-
2034	11,189,863	391,476	5,781,233	5,800,106	4,910,400	-	-

**Heritage Acres Preservation LP
704(b) Calculations**

ALLOCATION OF NET ASSETS						
YEAR	Freddie TEL			Other Debt		
	Net Assets	Loan Balance	Minimum Gain	Net Assets	Loan Balance	Minimum Gain
Dvlpmt						
Period	\$ -	\$ -	\$ -	\$11,189,863	\$ -	\$ -
2018	-	-	-	11,212,891	-	-
2019	6,597,167	6,597,167	-	4,116,765	-	-
2020	6,518,388	6,518,388	-	3,867,956	-	-
2021	6,435,752	6,435,752	-	3,623,004	-	-
2022	6,349,069	6,349,069	-	3,382,099	-	-
2023	6,258,141	6,258,141	-	3,145,438	-	-
2024	6,162,761	6,162,761	-	2,913,229	-	-
2025	6,062,711	6,062,711	-	2,685,691	-	-
2026	5,957,762	5,957,762	-	2,463,051	-	-
2027	5,847,674	5,847,674	-	2,245,551	-	-
2028	5,732,196	5,732,196	-	2,033,441	-	-
2029	5,611,063	5,611,063	-	1,826,986	-	-
2030	5,483,998	5,483,998	-	1,626,462	-	-
2031	5,350,712	5,350,712	-	1,432,159	-	-
2032	5,210,899	5,210,899	-	1,244,384	-	-
2033	5,064,240	5,064,240	-	1,063,454	-	-
2034	4,910,400	4,910,400	-	889,706	-	-

**Heritage Acres Preservation LP
704(b) Calculations**

POTENTIAL LOSS REALLOCATION DUE TO 704(b)										
YEAR	Capital Contribution	Historic Credits	Cash Distributions	Capital Account End of Year	Potential L.P. Losses	Carryover Minimum Gain	Maximum Loss Allocation	Losses Allocated to L.P.	Reallocation to G.P.	
Dvlpmt Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	664,800	-	-	664,800	-	-	664,800	-	-	-
2019	2,659,200	-	-	2,976,893	(347,108)	664,800	3,324,000	(347,108)	-	-
2020	-	-	-	2,808,975	(167,917)	2,976,893	2,976,893	(167,917)	-	-
2021	-	-	-	2,651,472	(157,503)	2,808,975	2,808,975	(157,503)	-	-
2022	-	-	-	2,504,599	(146,873)	2,651,472	2,651,472	(146,873)	-	-
2023	-	-	-	2,368,578	(136,021)	2,504,599	2,504,599	(136,021)	-	-
2024	-	-	-	2,243,639	(124,939)	2,368,578	2,368,578	(124,939)	-	-
2025	-	-	-	2,130,018	(113,621)	2,243,639	2,243,639	(113,621)	-	-
2026	-	-	-	2,027,960	(102,058)	2,130,018	2,130,018	(102,058)	-	-
2027	-	-	-	1,937,718	(90,243)	2,027,960	2,027,960	(90,243)	-	-
2028	-	-	-	1,859,551	(78,167)	1,937,718	1,937,718	(78,167)	-	-
2029	-	-	-	1,793,729	(65,821)	1,859,551	1,859,551	(65,821)	-	-
2030	-	-	10,778	1,729,754	(53,197)	1,793,729	1,782,951	(53,197)	-	-
2031	-	-	16,529	1,672,940	(40,285)	1,729,754	1,713,225	(40,285)	-	-
2032	-	-	17,196	1,628,670	(27,074)	1,672,940	1,655,744	(27,074)	-	-
2033	-	-	17,862	1,597,254	(13,554)	1,628,670	1,610,808	(13,554)	-	-
2034	-	-	18,526	1,579,013	286	1,597,254	1,578,728	286	-	-
	<u>\$ 3,324,000</u>	<u>\$ -</u>	<u>\$ 80,890</u>		<u>\$ (1,664,097)</u>		<u>\$ 35,839,661</u>	<u>\$ (1,664,097)</u>		<u>\$ -</u>

* It is anticipated that because of the unconditional obligation of the investors to pay their equity in yearly installments, the first year's losses would be covered and would not cause a reallocation problem. This can be solved by discounting all the payments and spreading them over the time period when losses are first received.

Echo Valley Apartments

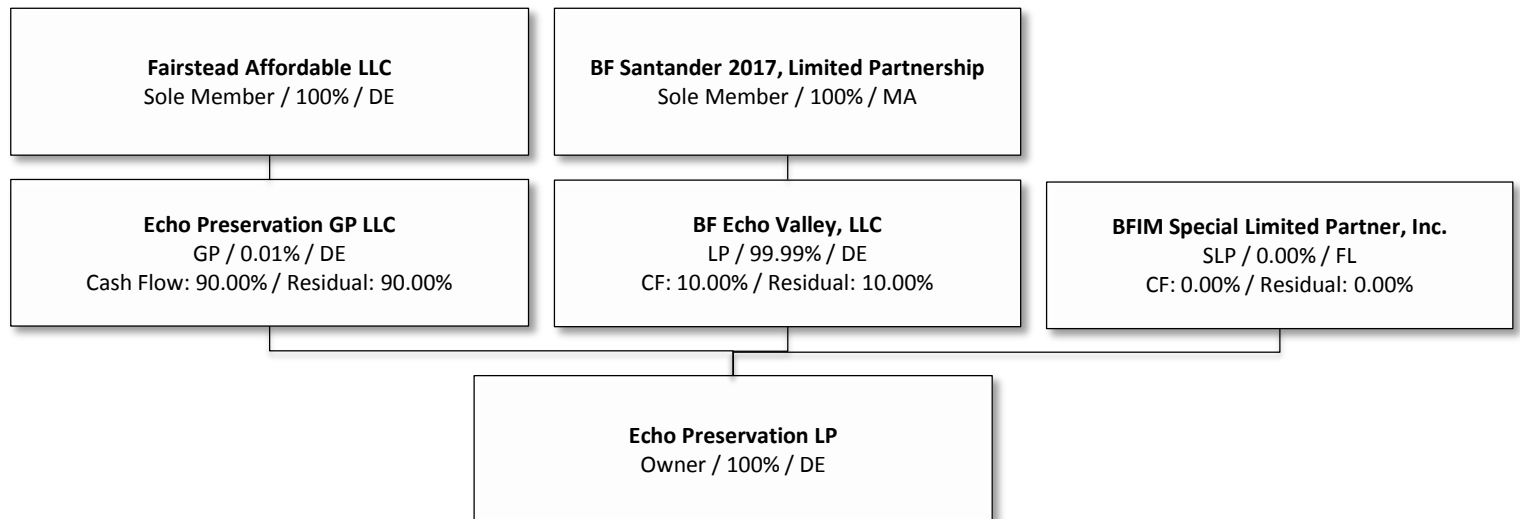
West Warwick, RI

Echo Valley Apartments

West Warwick, RI

Organizational Chart

Property Owner – Tax Credit



Echo Valley Apartments

West Warwick, RI

Limited Partnership Agreement

ECHO PRESERVATION LP

**AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP**

Dated as of November 19, 2018

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ECHO PRESERVATION LP

This AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated as of November 19, 2018, is by and among ECHO PRESERVATION GP LLC, a Delaware limited liability company, as General Partner; BF ECHO VALLEY, LLC, a Delaware limited liability company, as Investor Limited Partner; BFIM SPECIAL LIMITED PARTNER, INC., a Florida corporation, as Special Limited Partner; and FAIRSTEAD AFFORDABLE LLC, a Delaware limited liability company, as Withdrawing Limited Partner.

Preliminary Statement

The Partnership was formed as a limited partnership under the Uniform Act pursuant to that certain Agreement of Limited Partnership dated as of May 2, 2018 (the “Original Partnership Agreement”) and a Certificate of Limited Partnership dated as of May 2, 2018 (the “Certificate”), which Certificate was filed with the Division of Corporations of the Secretary of State of the State of Delaware (the “Filing Office”) on May 2, 2018.

The Partnership was registered to do business in the State of Rhode Island pursuant to a Certificate of Registration filed with the Secretary of State of the State of Rhode Island on September 19, 2018.

The purposes of this amendment to and restatement of the Original Partnership Agreement are to (i) admit the Investor Limited Partner and the Special Limited Partner as Limited Partners; (ii) provide for the withdrawal of the Withdrawing Limited Partner as a Limited Partner; and (iii) set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, it is agreed and certified, and the Original Partnership Agreement is hereby amended and restated in its entirety, as follows:

ARTICLE I

DEFINED TERMS

The defined terms used in this Agreement shall have the meanings specified below:

“Accountants” means CohnReznick LLP, Novogradac & Company LLP, Dauby O’Connor & Zaleski, LLC, Berdon LLP, or any other firm of certified public accountants that may be engaged by the General Partner as the accountants for the Partnership with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

“Adjusted Aggregate Federal Energy Tax Credit Amount” means the product of (i) 99.99% and (ii) the sum of Federal Energy Tax Credits that is determined to be available to the Building (as initially reflected in the Energy Property Cost Certification for the Project), as such amount may be increased or decreased thereafter as a result of a subsequent determination by the Accountants, a Final Determination or a Recapture Event. The Adjusted Aggregate Federal Energy Tax Credit Amount shall be deemed \$0.00 in the event Federal Energy Tax Credits are not reported on the Partnership’s tax return prior to 2022.

“Adjusted Aggregate Federal Low Income Tax Credit Amount” means the product of (i) 99.99% and (ii) the sum of Federal Low Income Tax Credits that is determined to be available to each of the Buildings (as initially reflected in the Cost Certification) for the entire Credit Period applicable to each such Building, as such amount may be increased or decreased thereafter based on the final IRS Forms 8609 or as a result of a subsequent determination by the Accountants, a Final Determination or a Recapture Event.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of a Partnership taxable year (or at such other time as shall be required pursuant to the terms of this Agreement) after giving effect to the following adjustments:

(i) Such Capital Account shall be increased by the amount of any Deficit Restoration Obligation of such Partner.

(ii) Such Capital Account shall be decreased by the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Allocation Regulations.

The foregoing definition of Adjusted Capital Account Deficit and the application of such term in the manner provided in Section 10.4C hereof is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Allocation Regulations and shall be interpreted consistently therewith.

“Admission Date” means the date on which the Investor Limited Partner is admitted to the Partnership pursuant to Section 13.8.

“Adverse Consequences” means (i) all damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses and fees, including court costs and reasonable attorneys’ fees and expenses actually paid, or reasonably expected to be paid, by the party suffering the Adverse Consequences in connection with any and all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, and rulings and (ii) the costs of any fees or other compensation to third parties reasonably required in connection with the replacement of a General Partner.

“Affiliate” means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; (iii) any Person that, directly or indirectly, is the beneficial owner of, or controls, 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest (10% or more) in, the specified Person, or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities, or in which the specified Person has a substantial beneficial interest (10% or more); and (iv) any relative or spouse of the specified Person.

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including taxes, for which the payment to be received is made) imposed currently on such Person by any Governmental Agency or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received; *provided, however*, for the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Agreement” means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time. In the event that the Allocation Regulations are revised or amended subsequent to the date of this Agreement, references herein to sections or paragraphs of the Allocation Regulations shall be deemed to be references to the applicable sections or paragraphs of the Allocation Regulations as then in effect.

“Appraised Value” means, as of the Determination Date, the estimated fair market value of an asset determined by Independent Appraisers in accordance with the procedures set forth in Section 7.7G. In determining the Appraised Value of the real estate comprising the Property, such Independent Appraisers shall take into account the rent and occupancy restrictions affecting the Project which are set forth in the Code or in the Project Documents, as well as any increase in real estate taxes which is triggered by the removal of a General Partner.

“Architect” means Union Studio Architecture & Community Design, Inc., or any other architect duly licensed in the State that may be engaged by the General Partner as the architect for the Project with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

“Bank” means Citibank, N.A., and its successors.

“Bank Catalyst Loan” means the construction and permanent loan in the principal amount of \$2,000,000 made or to be made by the Bank to the Partnership. The Bank Catalyst Loan has a term of 55 years and bears simple interest at the rate of 1.00% per annum. Annual payments of interest only will be due and payable on the Bank Catalyst Loan from 75% of the “Residual Receipts” (as defined in the Bank Catalyst Loan Note) which means, generally, 15% of Net Cash Flow available after payment of all debt service payments on the senior loans, required deposits to the reserves, and payments of the Deferred Development Fee. Upon maturity of the Bank Catalyst Loan, all outstanding principal and accrued but unpaid interest will be due and payable in full by the Partnership.

“Bank Catalyst Loan Documents” means the Bank Catalyst Loan Mortgage, the Bank Catalyst Loan Note, the Bank Subsidy Regulatory Agreement, and all other documents or instruments evidencing and securing the Bank Catalyst Loan or otherwise entered into in connection therewith.

“Bank Catalyst Loan Mortgage” means the Subordinate Open End Mortgage To Secure Present and Future Loans Under Chapter 25 of Title 34 of the Rhode Island General Laws, Assignment of Rents, Security Agreement and Fixture Filing recorded as a second-priority lien against the Apartment Complex as security for the obligations of the Partnership under the Bank Catalyst Loan Documents.

“Bank Catalyst Loan Note” means the Multifamily Subordinate Note executed by the Partnership in favor of the Bank as evidence of the Partnership’s obligations under the Bank Catalyst Loan Documents.

“Bank Regulatory Agreement” means the Regulatory and Use Agreement by and between the Bank and the Partnership governing the affordability restrictions applicable to the Apartment Complex in connection with the Bank Catalyst Loan.

“Boston Financial” means Boston Financial Investment Management, LP, a Delaware limited partnership, together with its successors and assigns.

“Breakeven Operations” means the first consecutive 12 month period after the Completion Date during which the Project has produced Cash Receipts at least equal to Operating Expenses as evidenced by audited financial statements reasonably acceptable to the Special Limited Partner.

“Builder” means Calson Construction Corporation, or any other contractor duly licensed in the State that may be engaged by the General Partner as the general contractor for the Project with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

“Building” or “Buildings” means (i) the nine (9) two-story residential buildings located on the Land that contain, in the aggregate, 100 dwelling units and (ii) the Community Building.

“Capital Account” means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner, consisting of (i) the amount of cash such Partner has contributed to the Partnership plus (ii) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject plus (iii) the amount of profits and tax-exempt income allocated to such Partner less (iv) the amount of losses allocated to such Partner less (v) the amount of all cash distributed to such Partner less (vi) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject less (vii) such Partner’s share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and subject to such other adjustments as may be required under the Code less (viii) such Partner’s share of the reduction in the depreciable basis of the Energy Property equal to 50% of the Federal Energy Tax Credit Amount.

“Capital Contribution” means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner. The term “Capital Contribution” shall include any Special Capital Contribution.

“Capital Transaction” means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or substantially all of the assets of the Partnership, but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership by the Partners.

“Cash Available for Debt Service Requirements” means, for any specified period of consecutive calendar months beginning not earlier than Final Closing, the excess of (i) all Cash Receipts during such period over (ii) Operating Expenses but specifically excluding Debt Service Requirements. For purposes of this definition, (a) Operating Expenses shall include the Management Fee and normal repairs and necessary capital improvements not otherwise funded from reserves or insurance proceeds specifically available therefor, (b) if free rent or other rental concessions have been granted to tenants, the calculation of Cash Receipts under clause (i) above shall be adjusted so that the effect of such concessions is amortized equally over the term of all leases (excluding renewal periods) to which they apply, (c) Cash Receipts shall include all rent subsidy payments actually received by the Partnership under the HAP Contract (regardless of whether such amounts are in excess of the maximum tenant-paid rents permitted under Section 42 of the Code) but shall not include other rent subsidy payments under Section 8 of the Housing Act or equivalent government subsidy program that are in excess of the maximum tenant-paid rents permitted under Section 42 of the Code, (d) Cash Receipts shall not exceed the amount of Cash Receipts that could have been achieved with a 5.00% vacancy rate with respect to the dwelling units, (e) Cash Receipts shall not include non-recurring or unpredictable sources of income such as late fees, amounts released without restriction from time to time from any escrow or reserve account, and tenant application fees, and (f) Operating Expenses shall be calculated using the greater of (1) actual Operating Expenses or (2) underwritten Operating Expenses of \$6,912 per unit per month trending at 3.00% per annum from the date of Investment Closing. In addition, for purposes of this definition, Cash Receipts shall not include any Energy Property Revenue unless the Partnership has entered into the Energy Power Purchase Agreement on terms and conditions acceptable to the Special Limited Partner and the Energy Property has produced Energy Property Revenue for at least six (6) consecutive calendar months, in which event the Energy Property Revenue included in the calculation of Cash Receipts for purposes of this definition shall not exceed, on an annualized basis, 80% of the Energy Property Revenue.

“Cash Flow” means the excess of Cash Receipts over Operating Expenses. Cash Flow shall be determined separately for each Fiscal Year or portion thereof.

“Cash Receipts” means with respect to a Fiscal Year or other applicable period, all cash actually received by the Partnership on a cash basis from normal operations, including without limitation, all rental revenue (except pre-paid rent, which shall be added only on an accrual basis during such period), rent subsidy payments under Section 8 of the Housing Act or equivalent government subsidy program, proceeds from business or rental interruption insurance, laundry

income, parking revenue, and other incidental revenues derived from the Project but excluding interest on Partnership reserves, proceeds from insurance (other than business or rental interruption insurance), loans, proceeds of a Capital Transaction and Capital Contributions.

“Certificate” means the Certificate of Limited Partnership described in the Preliminary Statement, as amended from time to time in accordance with the terms hereof and the Uniform Act.

“Change in Law” means an amendment to the Code or the Treasury Regulations that is applicable to the Project and provides for the reduction or elimination of the Tax Credits or substantially changes the requirements necessary to qualify for Tax Credits in a manner that the Investor Limited Partner, acting in good faith, reasonably determines cannot be satisfied by the Partnership using commercially reasonable methods or on commercially reasonable terms.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

“Commitment” and “Commitments” means the Mortgage Loan Commitments and any documents and other instruments issued by any Lender or Governmental Agency pursuant to which it has agreed to provide financial assistance to the Partnership.

“Community Building” means the approximately 2,000 square foot community building located on the Land which contains a management office and a community center that will be used exclusively by the tenants of the Project.

“Completion Date” means the date on which the Special Limited Partner shall have received all of the following in form and substance satisfactory to the Special Limited Partner: (i) copies of all requisite certificates of occupancy (or equivalent approvals) permitting the use and occupancy of 100% of the dwelling units in the Project and the Community Building issued by the Governmental Agency having jurisdiction therefor; *provided, however*, that if such certificates or approvals are of a temporary nature, the “Completion Date” shall not be deemed to have occurred unless that work remaining to be done is of a nature which would not impair the permanent use and occupancy of any of the dwelling units; (ii) a written certification from the Architect that the work to be performed by the Builder under the Construction Contract is substantially complete in accordance with the Construction Documents; (iii) a lien waiver from the Builder with respect to work performed and/or materials supplied through the Completion Date and for which it has been paid to date; (iv) the Project’s being free of any mechanics’ or similar liens as evidenced by duly executed and notarized final and unconditional lien waivers on AIA Document G706 from the Builder and all laborers, subcontractors and materialmen (but excluding any liens bonded against or affirmatively insured under the Title Policy in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby), (v) satisfactory evidence that all environmental remediation of the Property has been completed in accordance with the requirements of this Agreement and each Governmental Agency having jurisdiction over the Project; (vi) receipt of a certification from a licensed environmental engineer with significant experience in testing and abating asbestos-containing material and lead-based paint that such Hazardous Materials at the Project have either been properly abated or encapsulated and properly

managed pursuant to an operations and maintenance plan, in each case in compliance with all Federal, State and local laws, regulations, and guidelines (including all applicable HUD requirements) and, if applicable, delivery of copies of the close-out documentation and disposal manifests evidencing proper removal and disposal of the Hazardous Materials from the Project; and (vii) satisfactory resolution of each action item referenced in the GZA Letter. Any representation by the General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Special Limited Partner and/or the Construction Inspector pursuant to a physical inspection of the Property; *provided, however*, that in the event that the Special Limited Partner and/or the Construction Inspector does not commence such physical inspection within fifteen (15) business days after having received the General Partner's representation, then the Special Limited Partner and the Construction Inspector shall be deemed to have waived the physical inspection requirement.

"Compliance Period" means the entire period during which the "compliance period" described in Section 42(i)(1) of the Code shall be applicable to any Building.

"Consent" means, with respect to a specified Partner, the prior written consent or approval of such Partner. Unless otherwise specifically provided herein, any such Consent may be given or withheld in the Partner's sole and absolute discretion.

"Construction Contract" means the AIA construction contract by and between the Partnership and the Builder providing for the construction and/or rehabilitation of the Improvements, as the same may be amended from time to time in accordance with the provisions of this Agreement.

"Construction Documents" means the Construction Contract, including without limitation, the general conditions, project manual (including general requirements and technical specifications, drawings and/or sketches), the Plans and Specifications, and any addenda thereto, together with all trade contracts pursuant to which construction of the Improvements will be accomplished.

"Construction Inspector" means the Person performing construction review services on behalf of the Limited Partners.

"Consumer Price Index" or *"CPI"* means the Consumer Price Index for All Urban Consumers, All Cities, for All Items (base 1982-84 = 100) published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Agreement is to be made, the most comparable governmental index published in lieu thereof shall be substituted therefor.

"Cost Certification" means the certified audit prepared by the Accountants in form and substance reasonably acceptable to the Investor Limited Partner itemizing the Partnership's development and related costs for purposes of establishing the amount of Federal Low Income Tax Credits available to the Project and delivery thereof to the Credit Agency.

"Credit Agency" means RIH.

"Credit Approval" means the letter(s) issued by the Credit Agency and the Governmental

Lender pursuant to Sections 42(m)(1)(D) and 42(m)(2)(D) of the Code, respectively, preliminarily approving Federal Low Income Tax Credits with respect to the Project in an amount equal to \$897,869 per annum. The Credit Approval includes an initial determination by the Credit Agency that the Project satisfies the requirements of the State's qualified allocation plan and is not more than necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project pursuant to Section 42(m)(1)(D) and 42(m)(2)(D) of the Code.

"Credit Period" means, with respect to a particular Building, the "credit period" described in Section 42(f)(1) of the Code and, in the case of a Building to which Section 42(f)(2) of the Code applies, the first taxable year thereafter.

"Cumulative Priority Distribution" means, as of a point in time, the amount, on a cumulative basis, of the Priority Distribution to which the Investor Limited Partner shall become entitled hereunder.

"Debt Service Coverage Ratio" means, for any specified period of consecutive calendar months beginning not earlier than Final Closing, a fraction, the numerator of which is the Cash Available for Debt Service Requirements with respect to such period and the denominator of which is the Debt Service Requirements for such period. The achievement by the Partnership of a specified Debt Service Coverage Ratio shall be confirmed by the Accountants and subject to (i) the review and reasonable approval by the Investor Limited Partner of the calculation and (ii) independent confirmation by the Special Limited Partner pursuant to a physical inspection of the Property for the purpose of confirming that the Property is in good condition and repair (ordinary wear and tear excepted); *provided, however*, that (a) no objection by the Special Limited Partner to the determination of the Accountants based on its physical inspection of the Property shall be valid unless the General Partner is notified of such objection, and the specific reasons therefor, within seven (7) business days following the completion of such inspection and (b) in the event that the Special Limited Partner does not commence such physical inspection of the Property within fifteen (15) business days after having received the Accountants' determination letter, then the Special Limited Partner will be deemed to have waived the physical inspection requirement.

"Debt Service Requirements" means, for any specified period of consecutive calendar months beginning not earlier than Final Closing, all debt service, mortgage insurance premiums and other cash requirements imposed by the Mortgage Loan Documents (including without limitation full funding of escrow or reserves, recurring fees associated with the servicing of the Mortgage Loans including, without limitation, any applicable issuer's and/or trustee's fees, and any other indebtedness properly allocable to such period of time on an annualized accrual basis as determined by the Accountants. For purposes of calculating the Debt Service Coverage Ratio at any time prior to Final Closing, Debt Service Requirements shall be calculated using the amount of debt service and other cash requirements imposed by the Mortgage Loans following Permanent Mortgage Commencement. Debt Service Requirements does not include "soft" requirements imposed by the Mortgage Loan Documents or this Agreement (e.g., costs that need not be paid on a current basis but are instead payable solely to the extent of available Cash Flow) including, without limitation, payments on the Bank Catalyst Loan.

“Deferred Development Fee” has the meaning attributed thereto in the Development Agreement.

“Deferred Development Fee Note” has the meaning attributed thereto in the Development Agreement.

“Deferred Property Management Fee” has the meaning attributed thereto in Section 11.1A.

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is obligated to restore (or is treated as being obligated to restore) to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s share of Partnership Minimum Gain if any, and (iii) such Partner’s share of Partner Nonrecourse Debt Minimum Gain, if any.

“Designated Affiliate” means any Person performing services to the Partnership or otherwise having a relationship with respect to the Project who directly or indirectly: (i) controls, is controlled by, or is under common control with the General Partner, (ii) owns 10% or more of the interests in the General Partner, (iii) is an officer, director, or trustee of the General Partner, or (iv) if the General Partner is an officer, director, partner, member or trustee of an Entity, the Entity for which the General Partner acts in any such capacity.

“Designated Prime Rate” means the annual rate of interest which is at all times equal to the lesser of (i) the highest prime rate as published in the Wall Street Journal (or any comparable publication selected by the Special Limited Partner in its reasonable discretion if the Wall Street Journal ceases to publish such index) plus 1.00%, with calculations of interest to be made on a daily basis and on the basis of a three hundred sixty (360)-day year and (ii) the maximum rate permitted by law in the applicable context.

“Designated Proceeds” means the proceeds of the Mortgage Loans received prior to payment of the Fifth Installment, any net rental or other miscellaneous income of the Partnership through the Development Obligation Date (to the extent not otherwise covered by this Designated Proceeds definition) which is permitted by this Agreement and any applicable Lender or Governmental Agency to be utilized for Development Costs, the Capital Contributions (excluding any Special Capital Contributions and Capital Contributions of the General Partner in excess of the amounts permitted under Section 4.1), and any insurance proceeds arising out of casualties prior to the Development Obligation Date.

“Determination Date” means the last day of the month preceding the month in which the Removal Notice Date occurs.

“Developer” means FA Developer LLC, a Delaware limited liability company.

“Development Advances” shall have the meaning attributable thereto in Section 6.7.

“Development Agreement” means the Development Agreement dated as of even date herewith by and between the Partnership and the Developer, as the same may be amended from

time to time in accordance with the provisions of this Agreement.

“Development Costs” means all costs (including the Development Fee net of the Deferred Development Fee) incurred to (i) acquire the Land and Buildings, (ii) complete the construction and/or rehabilitation of the Improvements 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 equip the Improvements or cause the same to be equipped, all substantially in accordance with the Project Documents including, without limitation, the Construction Documents, (iii) arrive at Final Closing in substantial conformity with the Project Documents, (iv) discharge all Partnership liabilities and obligations arising out of any casualty occurring prior to the Development Obligation Date, (v) pay or provide for all other payments, expenses, escrows or reserves required by this Agreement or by any Lender, Governmental Agency or Partnership creditor to be made, incurred or funded through the Development Obligation Date (other than Operating Expenses incurred through the Development Obligation Date and reserves which are to be funded from other sources), and (vi) pay all Environmental Compliance Costs.

“Development Fee” has the meaning attributed thereto in the Development Agreement.

“Development Obligation Date” means the latest to occur of (i) the first anniversary of the Completion Date, (ii) achievement of Final Closing, (iii) the Stabilization Date or (iv) the receipt by the Partnership of properly completed and signed IRS Forms 8609 with respect to all of the Buildings comprising the Project.

“Disposition Fee” means the fee payable to the General Partner for its sale and disposition services to the Partnership pursuant to the terms and conditions of Section 9.3.

“Disqualifying Event” means a material event or circumstance relating to the Partnership or Project that gives rise to a “flag” affecting Boston Financial or its Affiliates under the HUD previous participation certification system or any comparable previous participation qualification system maintained by any other jurisdiction and which would adversely impact the ability of Boston Financial or its Affiliates to participate in properties utilizing federal, state or local subsidized housing programs. Without limitation of the foregoing, if the Partnership shall be subject to regulation by HUD, the determination by HUD that the Project has failed to satisfy HUD’s minimum standards for physical condition (under current practice, receipt of a HUD REAC inspection score of under 60) shall be deemed an event described in the preceding sentence if left uncured would give rise to a flag affecting Boston Financial and/or its Affiliates.

“Document Schedule” means the list of Related Documents listed on **Exhibit B**.

“Economic Risk of Loss” has the meaning set forth in Treasury Regulation Section 1.752-2.

“Election Notice” has the meaning given to it in Section 5.3B.

“Eligible Basis” has the meaning set forth in Section 42(d) of the Code and the Treasury Regulations thereunder.

“Energy Power Purchase Agreement” means the contract to be entered into by and

between the Partnership and National Grid, or another utility provider acceptable to the Special Limited Partner, pursuant to which such utility provider agrees to purchase the power produced by the Energy Property from the Partnership. The Energy Power Purchase Agreement will provide for a fixed price per kWh of energy produced, have a term of not less than 15 years, and is otherwise in form and substance acceptable to the Special Limited Partner.

“Energy Property” means the solar-powered electricity-generating facility to be installed and operated on the roof of the Building of the Project owned by the Partnership, which facility shall constitute “energy property” eligible for the 30% “energy percentage” within the meaning of Section 48(a)(3) of the Code.

“Energy Property Cost Certification” means the written certification prepared by the Accountants in connection with establishing the amount of the Federal Energy Tax Credits to which the Partnership is entitled, which certification shall be in form and substance reasonably satisfactory to the Investor Limited Partner, and which shall include (i) the costs of installing the Energy Property, (ii) a calculation of the basis of the Energy Property as calculated pursuant to Section 48 of the Code, and (iii) a calculation of the Energy Tax Credit allowable to the Partnership. The Energy Property Cost Certification may be included in the Cost Certification for the Project.

“Energy Property Documents” means, collectively, the following documents, all in form and substance reasonably acceptable to the Investor Limited Partner: (i) a subcontract for installment of the Energy Property, (ii) the Energy Property Cost Certification, (iii) an O&M plan concerning the ongoing operations and maintenance of the Energy Property, (iv) an interconnection agreement with the utility provider regarding interconnection of the Energy Property to the power grid, (v) any warranties with respect to the Energy Property and the installation thereof, and (vi) any rebate documentation that is not received directly by the installer.

“Energy Property PIS Date” means the date on which the Partnership (i) has received all of the Energy Property Documents and all required licenses and permits relating to the Energy Property, (ii) has received control of the Energy Property from the installer, (iii) completed all critical tests relating to the safety and functionality of the Energy Property, (iv) has caused the Energy Property to be synchronized into the power grid for generating electricity, (v) has commenced daily operation of the Energy Property, and (vi) has provided the Investor Limited Partner with a copy of the certificate of completion from the installer in the form attached as Attachment B to the Payment Certificate for the Sixth Installment.

“Energy Property Recapture Period” means the 60-month period following the Energy Property PIS Date.

“Energy Property Revenue” means, with respect to a Fiscal Year or other applicable period, all cash actually received by the Partnership on a cash basis from the sale of the power produced by the Energy Property pursuant to the “Rhode Island Renewable Energy Growth Program”.

“Entity” means any general partnership, limited partnership, limited liability company,

limited liability limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Environmental Compliance Costs” means all costs necessary to bring the Land and the Project into compliance with all Hazardous Waste Laws.

“Environmental Reports” means the environmental studies, investigations, testing and reports identified in the GZA Letter.

“Event of Bankruptcy” means, as to a specified Person:

(i) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

(ii) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing; or

(iii) in the case of a Person who is a General Partner, the voluntary withdrawal of such Person as a General Partner in violation of the terms of this Agreement.

“Extended Use Agreement” means the “extended low-income housing commitment” by and between the Credit Agency and the Partnership governing the long-term use restrictions applicable to the Project in respect of the Federal Low Income Tax Credits and otherwise satisfying all of the requirements of Section 42(h)(6) of the Code.

“Federal Energy Tax Credits” means the federal energy tax credits for which the Project is eligible under Section 48 of the Code.

“Federal Low Income Tax Credit Application” means the application submitted to the Credit Agency to obtain the Credit Approval, as amended from time to time, including all documentation submitted to the Credit Agency concurrently therewith or pursuant thereto.

“Federal Low Income Tax Credits” means the low-income housing tax credits for which

the Project is eligible under Section 42 of the Code.

“Fifty Percent Completion Date” means the date as of which the Architect certifies that the work to be performed by the Builder under the Construction Contract is fifty percent (50%) complete (based on the ratio of the cost of completed items under the Construction Contract to the total hard cost amounts in the Construction Contract, taking into account change orders and other revisions, as of the date of such certification). Any representation by the General Partner under this Agreement that the Fifty Percent Completion Date has occurred shall be subject to confirmation by the Special Limited Partner and/or the Construction Inspector pursuant to a physical inspection of the Property; *provided, however*, that in the event that the Special Limited Partner and/or the Construction Inspector does not commence such physical inspection within fifteen (15) business days after having received the General Partner’s representation, then the Special Limited Partner and the Construction Inspector shall be deemed to have waived the physical inspection requirement.

“Fifty Percent Test Qualification” means receipt by the Special Limited Partner of an Accountant’s opinion in form and substance reasonably satisfactory to the Special Limited Partner concluding that, for purposes of Section 42(h)(4) of the Code, not less than fifty percent (50%) of the aggregate basis of the Buildings (including site improvements) and the Land was financed with the proceeds of an obligation, the interest on which is exempt from tax under Sections 103 and 142 of the Code and which is within the State’s volume cap as provided under Section 146 of the Code.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) Permanent Mortgage Commencement, (iii) the Project’s being free of any mechanics’ or similar liens as evidenced by duly executed and notarized final and unconditional lien waivers on AIA Document G706 from the Builder and all laborers, subcontractors and materialmen (but excluding any liens bonded against or affirmatively insured under the Title Policy in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby), (iv) Cost Certification, (v) Energy Property Cost Certification, (vi) receipt of a current Title Search Report evidencing the accuracy of the representation contained in Section 6.5(ix), (vii) all Development Costs have been paid or provided for, and (viii) full funding of any reserves to the extent required under the Mortgage Loan Documents and this Agreement as of such date (excluding any reserves to be funded from the final Installment of Capital Contributions).

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (ii) the date on which the Service has entered into a binding agreement with the Partnership with respect to such issue or on which the Service has reached a final administrative determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired, or (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal income tax matter with respect to the Partnership has expired.

“Fiscal Year” means the twelve-month period which begins on the first day of January and ends on the thirty-first day of December of each calendar year (or ends on the date of final dissolution for the year in which the Partnership is wound up and dissolved).

“General Partner” means initially, Echo Preservation GP LLC, a Delaware limited liability company, and any Person thereafter who becomes a General Partner as provided herein. If at any time the Partnership shall have more than one General Partner, the term “General Partner” shall be construed as plural and the obligations of the General Partner hereunder shall be joint and several of all such General Partners except as herein expressly provided to the contrary.

“Governmental Agency” means, as applicable, the Town, the State, the Credit Agency, the Governmental Lender, HUD, and/or any other governmental agency having jurisdiction over the particular matter to which reference is being made.

“Governmental Lender” means West Warwick Housing Authority, a public body corporate and politic, created pursuant to Chapter 45-26 of the State of Rhode Island General Laws.

“Guarantor” or “Guarantors” means Fairstead Affordable LLC, a Delaware limited liability company, Jeffrey Goldberg, an individual resident of the state of New York, and Stuart Feldman, an individual resident of the state of Connecticut.

“Guaranty Agreement” means the Guaranty Agreement dated as of even date herewith by the Guarantors in favor of the Investor Limited Partner and Special Limited Partner.

“GZA Letter” means the letter issued by GZA GeoEnvironmental, Inc. on October 31, 2018 with respect to the Project attached hereto as **Exhibit E**.

“HAP Contract” means the Housing Assistance Payments Contract (Project No. R143-H023-021), as amended, modified, and extended from time to time, including pursuant to that certain Project-Based Section 8 Housing Assistance Payments Basic Renewal Contract dated effective December 1, 2018 by and between the Partnership and RIH. The HAP Contract (i) provides project-based rental assistance to all of the dwelling units in the Project under Section 8 of the Housing Act, (ii) has a term of 20 years expiring no earlier than the end of the Compliance Period, (iii) provides for contract rents of not less than the amounts shown on **Exhibit E**, and (iv) is otherwise in form and substance reasonably acceptable to the Limited Partner.

“Hazardous Material” means and includes any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, including without limitation those listed in or regulated under any Hazardous Waste Laws, polychlorinated biphenyls, petroleum, petroleum-based or petroleum-derived products, mold, and asbestos or asbestos-containing materials.

“Hazardous Waste Laws” means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be

amended from time to time and including any regulations promulgated thereunder.

“Housing Act” means the U.S. Housing Act of 1937 (42 U.S.C. §1437, et. seq.), as amended from time to time, and all implementing regulations issued thereunder or in furtherance thereof.

“HUD” means the U.S. Department of Housing and Urban Development and its successors.

“Improvements” means the Buildings and any appurtenant or related facilities to be constructed and/or rehabilitated in accordance with the Project Documents.

“Independent Appraiser” means a firm which is generally qualified to render opinions as to the fair market value of assets such as those owned by the Partnership and which satisfies the following criteria:

- (i) such firm is not a Partner, or an Affiliate of the Partnership or any Partner;
- (ii) such firm (or a predecessor in interest to the assets and business of such firm) has been in business for at least five (5) years, and at least one of the principals of such firm has been in the active business of appraising substantially similar assets for at least ten (10) years;
- (iii) such firm has regularly rendered appraisals of substantially similar assets for at least five (5) years on behalf of a reasonable number of unrelated clients, so as to demonstrate reasonable market acceptance of the valuation opinions of such firm;
- (iv) one or more of the principals or appraisers of such firm are members in good standing of an appropriate professional association or group which establishes and maintains professional standards for its members; and
- (v) such firm renders an appraisal to the Partnership only after entering into a contract that specifies the compensation payable for such appraisal.

“Initial Qualified Occupancy Date” shall mean the first date upon which not less than 100% of the Low Income Units in the Project have been occupied by Qualified Tenants under bona fide written leases satisfying the requirements of Section 42 of the Code with terms of not less than one (1) year as evidenced by a Tenant Income Certification for each of the Qualified Tenants and/or tenant file review, but in no event at rents which are less than ninety percent (90%) of the pro forma rents shown on **Exhibit F** unless otherwise approved by the Investor Limited Partner in writing. The achievement of the Initial Qualified Occupancy Date shall be confirmed by the Management Agent and certified by the General Partner with a copy of such confirmation and certification, together with the rent roll and Tenant Income Certifications for each of the Qualified Tenants, forwarded to the Special Limited Partner. The Initial Qualified Occupancy Date will be deemed to have been achieved upon written acknowledgment of such by the Special Limited Partner. The Special Limited Partner shall have thirty (30) business days after receipt of the written confirmation from the Management Agent and General Partner to acknowledge or object to the achievement of the Initial Qualified Occupancy Date, and the

failure to acknowledge or object within such thirty (30) business day period shall be deemed to be an acceptance by the Special Limited Partner. All objections must be commercially reasonable and delivered in writing to the General Partner, who shall have a reasonable period of time to cure any objections.

“Installment” means any Installment of the Capital Contributions of the Investor Limited Partner referred to in Section 5.1.

“Interest”, or words of like import, shall mean all the interest of a Partner in Cash Flow and other distributions, capital, profits and losses, tax credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor Entity formed pursuant to this Agreement.

“Investment Closing” means the latest to occur of (i) the execution and delivery of this Agreement by all parties hereto, and (ii) the closing and initial disbursement of the Mortgage Loans to the extent contemplated in the closing requisition.

“Investor Limited Partner” means, initially, BF Echo Valley, LLC, a Delaware limited liability company, and shall include any other Persons admitted as an Investor Limited Partner pursuant to Section 4.6 or admitted as a Substitute Limited Partner pursuant to Article VIII, and their respective successors in such capacity.

“Investor Tax Counsel” means Holland & Knight LLP, of Boston, Massachusetts, or other counsel acceptable to the Special Limited Partner.

“Land” means the approximately 12.517-acre parcel(s) of land on which the Improvements are located and the Energy Property will be constructed in the Town of West Warwick, Kent County, Rhode Island, as more particularly described in Schedule A of the Title Policy.

“Lender” means, individually or collectively as the context shall require, (i) the Governmental Lender in its capacity as the maker of the Tax-Exempt Loan, (ii) the Bank in its capacity as the maker of the Bank Catalyst Loan, and (iii) each of their respective successors and assigns in such capacity, acting through any authorized representative.

“Limited Partner” or “Limited Partners” mean any or all of those Persons designated as Limited Partners in the Schedule, any Person admitted as a Limited Partner pursuant to Section 4.6, or any Person who becomes a Substitute Limited Partner as provided herein, in each such Person’s capacity as a Limited Partner of the Partnership. Such terms shall include the Special Limited Partner, the Investor Limited Partner and any Persons who may succeed to the Interests of such Limited Partners.

“Low Income Unit” means any of the 100 dwelling units in the Project which are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

“Management Agent” means SHP Management Corp., a Maine corporation, or any

successor thereto engaged by the General Partner on behalf of the Partnership as the management agent for the Project with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

“Management Agreement” means the management agreement by and between the Partnership and the Management Agent, as the same may be amended, renewed or replaced from time to time but in each case subject to the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed) and all Requisite Approvals.

“Management Fee” means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the approved Management Agreement but subject in all instances to the provisions of Section XI.

“Material Default” has the meaning set forth in Section 7.7B.

“Mortgage” means each mortgage or deed of trust granted by the Partnership to a Lender as security for the Partnership’s obligations under the Mortgage Loan Documents; and, where the context admits, “Mortgage” shall mean and include any security agreements, assignments or other instruments pertaining to said indebtedness that are required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term “Mortgage” as used herein includes any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and the term “foreclose” and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

“Mortgage Loan” means the Tax-Exempt Loan, the Bank Catalyst Loan, and any other financing secured by a Mortgage which is obtained subsequent to Investment Closing in compliance with the provisions of Article IX.

“Mortgage Loan Commitments” means the commitment of each Lender to advance its respective Mortgage Loan to the Partnership.

“Mortgage Loan Documents” means the Mortgage Loan Commitments, the Notes, the Mortgages, and all other documents evidencing and securing each of the Mortgage Loans or otherwise entered into connection therewith, all of which shall be subject to the Consent of the Special Limited Partner.

“Net Capital Contribution” means \$8,766,000.

“Note” means each promissory note executed and delivered by the Partnership to a Lender as evidence of its obligations under the Mortgage Loan Documents. The term “Note” as used herein includes any supplemental, modified, or substitute promissory note to said original note issued by the Partnership to a Lender.

“Operating Expense Loan” means a loan to the Partnership pursuant to Section 6.8 which is repayable without interest and only as provided in Article X.

“Operating Expenses” means all costs and expenses of any type, properly accruable

through such date which may be properly charged as operating expenses incidental to the ownership and operation of the Project under standard accounting procedures and which are allocable, in accordance with generally accepted accounting principles, to dwelling units for which all Requisite Approvals for occupancy have been obtained; such operating expenses may include real estate taxes assuming full assessment but taking into account the Real Property Tax Exemption to the extent actually available to the Partnership, compliance monitoring fees imposed by any Governmental Agency, capital improvements not funded out of any reserves for such, mortgage and bond insurance premiums, if any, and the cost of operations, Debt Service Requirements, maintenance and repairs, on an annualized basis, all projected expenditures, 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, and the funding of any reserves required to be maintained by any Lender or Governmental Agency or pursuant to this Agreement (excluding reserves that are to be funded from time to time from available Cash Flow, if any) but shall not include: (i) Development Costs, (ii) repayments of Operating Expense Loans made pursuant to Section 6.8, or (iii) distributions or payments pursuant to the provisions of Article X including debt service on any Mortgage Loan that is payable solely from and to the extent of available Cash Flow or Capital Transaction proceeds.

“Operating Reserve” means the operating reserve described in Section 6.11B.

“Partner” means the General Partner and/or any Limited Partner.

“Partner Nonrecourse Debt” means any Partnership liability (i) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor’s right to repayment is limited to one or more assets of the Partnership and (ii) for which any Partner or Related Person bears the Economic Risk of Loss.

“Partner Nonrecourse Debt Minimum Gain” means the amount of partner nonrecourse debt minimum gain and the net increase or decrease in partner nonrecourse debt minimum gain determined in a manner consistent with Sections 1.704-2(d), 1.704-2(i)(2) and (i)(3) and 1.704-2(k) of the Allocation Regulations.

“Partner Nonrecourse Deductions” shall have the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Allocation Regulations.

“Partnership” means the limited partnership governed by this Agreement as said limited partnership may from time to time be constituted.

“Partnership Counsel” means Carmody Torrance Sandak & Hennessey LLP of New Haven, Connecticut or such other counsel as the General Partner may designate from time to time as counsel for the Partnership.

“Partnership Minimum Gain” means the amount determined by computing, with respect to each Partnership Nonrecourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Sections 1.704-2(d) and 1.704-2(k) of the Allocation Regulations.

“Partnership Nonrecourse Deductions” shall have the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Allocation Regulations.

“Partnership Nonrecourse Liability” means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the Economic Risk of Loss.

“Payment Certificate” has the meaning given it in Section 5.1B(i).

“Permanent Mortgage Commencement” means the later to occur of (i) full disbursement of the Tax-Exempt Loan and the Bank Catalyst Loan to the Partnership and (ii) commencement of monthly amortization of principal and interest on the Tax-Exempt Loan.

“Permitted Investments” means (i) money market funds and debt securities rated AAA by S&P maturing within six (6) months, (ii) short-term United States government obligations, including obligations issued or held in book-entry form on the books of the U.S. Treasury maturing within six (6) months, and (iii) direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the United States government maturing within six (6) months.

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“Plans and Specifications” means the plans and specifications for the construction and/or rehabilitation of the Property approved by each Lender, Governmental Agency and the Special Limited Partner, including, without limitation, specifications for materials, and all amendments and modifications thereof, as the same may be amended from time to time with the Consent of the Special Limited Partner to the extent required under clause (xvi) of Section 6.1B.

“Priority Distribution” means, as to any Fiscal Year of the Partnership commencing on the Admission Date, \$5,000 per annum (pro rated for periods of less than a full Fiscal Year) increasing on January 1st of each year thereafter by three percent (3.00%). Such distribution shall begin to accrue on the Admission Date and shall be paid thereafter pursuant to Article X.

“Prior Owner” means Echo Valley Investors, LLC, a Delaware limited liability company.

“Project” or “Property” means the Land and the Improvements.

“Project Documents” means and includes this Agreement, the Construction Documents, the Commitments, the Mortgage Loan Documents, the Federal Low Income Tax Credit Application, the Volume Cap Application, the Credit Approval, the Energy Property Documents, the Regulatory Agreements, the Purchase Option Agreement, the HAP Contract, the Management Agreement, the Development Agreement, the Guaranty Agreement, the Supervisory Management Agreement, the Energy Power Purchase Agreement, and all other documents relating to the Project which are required by any Lender or Governmental Agency or have been executed in connection with any of the foregoing documents.

“Projected Aggregate Federal Energy Tax Credit Amount” means \$249,487 which is the product of (i) 99.99% and (ii) the aggregate amount of Federal Energy Tax Credits expected to be available to the Partnership. If, following any determination or redetermination of the Adjusted Aggregate Federal Energy Tax Credit Amount pursuant to Section 5.2, such amount is different than the Projected Aggregate Federal Energy Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term “Projected Aggregate Federal Energy Tax Credit Amount” shall mean the Adjusted Aggregate Federal Energy Tax Credit Amount, provided that any required adjustment(s), payment(s) or Tax Credit Shortfall Payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

“Projected Aggregate Federal Low Income Tax Credit Amount” means \$8,977,790 which is the product of (i) 99.99% and (ii) the aggregate amount of Federal Low Income Tax Credits expected to be available to the Buildings during their respective Credit Periods. If, following any determination or redetermination of the Adjusted Aggregate Federal Low Income Tax Credit Amount pursuant to Section 5.2, such amount is different than the Projected Aggregate Federal Low Income Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term “Projected Aggregate Federal Low Income Tax Credit Amount” shall mean the Adjusted Aggregate Federal Low Income Tax Credit Amount, *provided that* any required adjustment(s), payment(s) or Tax Credit Shortfall Payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

“Purchase Option Agreement” means the Purchase Option Agreement dated as of even date herewith by and between the General Partner and the Limited Partners.

“Qualified Income Offset Item” means (i) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner’s interest in the Partnership, or (c) pursuant to Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items and (ii) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner’s Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

“Qualified Tenant” means a household composed of one or more persons (i) with income not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases a dwelling unit in the Project under a lease having an original term of not less than twelve (12) months with tenant paid rents that do not exceed the amount specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

“Real Property Tax Exemption” means the abatement from real property taxes authorized under Section 44-5-13.11 of the State of Rhode Island General Laws.

“Recapture Event” means an event, as evidenced by a determination thereof by the Accountants or as a result of a Final Determination, which results in (i) a recapture with respect to all or any portion of the Partnership’s Federal Low Income Tax Credits and/or which results in

a disallowance of any Federal Low Income Tax Credits that cannot be claimed by the Partnership, and/or (ii) a recapture pursuant to Section 50(a) of the Code with respect to all or any portion of the Partnership's Federal Energy Tax Credits and/or which results in a disallowance of any Federal Energy Tax Credits that cannot be claimed by the Partnership.

"Regulations" means the rules and regulations of any Governmental Agency which are applicable to the Project or the Partnership.

"Regulatory Agreements" means each of the regulatory agreements, affordability restrictions, restrictive covenants or other similar instruments required by any Lender or Governmental Agency with respect to the Project, as amended from time to time in accordance with the provisions of this Agreement. The term "Regulatory Agreement" as used herein includes, without limitation, the Extended Use Agreement, the Tax-Exempt Regulatory Agreement, and the Bank Regulatory Agreement.

"Related Documents" means each agreement, document and certificate referred to in the Document Schedule.

"Related Person" has the meaning set forth in Treasury Regulation Section 1.752-4(b) or any successor regulation thereto.

"Removal Notice" shall have the meaning set forth in Section 7.7.

"Removal Notice Date" shall have the meaning set forth in Section 7.7.

"Replacement Reserve" means the replacement reserve described in Section 6.11A.

"Requisite Approvals" means any required approvals of the Lender and each Governmental Agency to an action proposed to be taken by the Partnership.

"Retirement" (including the forms "Retire" and "Retired") means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution or voluntary or involuntary withdrawal from the Partnership for any reason. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law, death, incapacity or pursuant to any terms of this Agreement. A General Partner which is an Entity (an "Entity General Partner") also will be deemed to have Retired upon the sale, assignment or other disposition of a controlling interest in such Entity General Partner. Without limitation of the foregoing, any of the foregoing events occurring as to an individual or Entity which directly or indirectly holds a controlling interest in an Entity General Partner shall also be deemed to constitute the Retirement of any such Entity General Partner. For purposes of this definition, "controlling interest" shall mean the power to direct the management and policies of such Entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, the General Partner will not be deemed to have Retired provided that any one (or both) of Jeffrey Goldberg and/or Stuart Feldman maintains a controlling interest in the Entity General Partner.

"RIH" means the Rhode Island Housing and Mortgage Finance Corporation, a

corporation, instrumentality and agency of the State of Rhode Island, and its successors.

“Schedule” means the Schedule of Partners annexed hereto as **Exhibit A** as amended from time to time and as so amended at the time of reference thereto.

“Seller” means Echo FA Owner LLC, a Delaware limited liability company.

“Service” means the Internal Revenue Service.

“Seventy-Five Percent Completion Date” means the date as of which the Architect certifies that the work to be performed by the Builder under the Construction Contract is seventy-five percent (75%) complete (based on the ratio of the cost of completed items under the Construction Contract to the total Construction Contract amount, taking into account change orders and other revisions, as of the date of such certification). Any representation by the General Partner under this Agreement that the Seventy-Five Percent Completion Date has occurred shall be subject to confirmation by the Special Limited Partner and/or the Construction Inspector pursuant to a physical inspection of the Property; *provided, however*, that in the event that the Special Limited Partner and/or the Construction Inspector does not commence such physical inspection within fifteen (15) business days after having received such General Partner’s representation, then the Special Limited Partner and the Construction Inspector shall be deemed to have waived the physical inspection requirement.

“Special Capital Contribution” means a capital contribution described in and made pursuant to Section 6.8.

“Special Endorsements” means a non-imputation (additional insured) endorsement, a comprehensive endorsement for land under development, an environmental protection lien endorsement, a contiguity endorsement, an access and entry endorsement, a zoning endorsement for improved land (including any applicable parking provisions), an easement (damage and forced removal) endorsement, an encroachments (boundaries and easements) endorsement, a location endorsement, a subdivision endorsement, a same as survey endorsement, a multiple tax parcel endorsement, a maximum loss endorsement, a utilities facilities endorsement, a tax credit endorsement, and a deletion of arbitration endorsement, each in a form reasonably acceptable to the Special Limited Partner.

“Special Limited Partner” means BFIM Special Limited Partner, Inc., a Florida corporation, as Special Limited Partner and its successors in such capacity.

“Stabilization Date” means the first day following three (3) consecutive calendar months commencing on or after Final Closing during each of which, as determined by the Accountants, subject to reasonable review and approval by the Investor Limited Partner, the Project has achieved a Debt Service Coverage Ratio of not less than 115%.

“State” means the State of Rhode Island, which is the State in which the Project is located.

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Article VIII.

“Supervisory Management Agreement” means the Supervisory Management Agreement dated as of even date herewith between the Partnership and the General Partner pursuant to which the General Partner is to provide certain supervisory and oversight management services with respect to the Project.

“Supervisory Management Fee” means the annual, non-cumulative fee payable by the Partnership to the General Partner for its supervisory and oversight management services to the Partnership pursuant to the terms of the Supervisory Management Agreement. The Supervisory Management Fee shall be paid annually from and to the extent of available Cash Flow in accordance with the provisions of Section 10.1A.

“Survey Specifications” means the Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys effective February 23, 2016.

“Tax Credit Determination Date” means the date the Accountants determine the amount of the Tax Credits and that the Project satisfies the requirements of Section 42(h)(4) of the Code.

“Tax Credit Shortfall Payments” has the meaning attributed thereto in Section 5.2F.

“Tax Credits” means, collectively, the Federal Low Income Tax Credits and the Federal Energy Tax Credits.

“Tax-Exempt Loan” means the construction and permanent loan in the principal amount of up to \$13,084,000 (or such greater amount, not to exceed \$13,500,000, as may be approved by the Special Limited Partner pursuant to the provisions of Section 9.1B (also referred to herein as the “Earn-Out”)) made or to be made by the Governmental Lender to the Partnership from the proceeds of funds advanced by the Bank under the Tax-Exempt Note. The Tax-Exempt Loan has a term of not less than 16 years and bears interest at a rate equal to 5.18% (exclusive of issuer fees) except that the Earn-Out, if any, shall bear interest fixed at the 16-year LIBOR rate then in effect plus 1.90%. Payments of principal and interest on the Tax-Exempt Loan will be made monthly throughout its term based on a 35-year amortization schedule except that the Earn-Out, if any, will provide for principal and interest payment based on a 15-year amortization schedule. Upon maturity of the Tax-Exempt Loan, all outstanding principal and accrued but unpaid interest will be due and payable in full by the Partnership upon maturity of the Tax-Exempt Loan.

“Tax-Exempt Loan Documents” means the Tax-Exempt Loan Mortgage, the Tax-Exempt Loan Promissory Note, the Tax-Exempt Regulatory Agreement, and all other documents and instruments executed and delivered in connection with the Tax-Exempt Loan.

“Tax-Exempt Loan Mortgage” means the Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing constituting a first-priority lien against the Project and securing the Partnership’s obligations under the Tax-Exempt Loan Documents.

“Tax-Exempt Loan Promissory Note” means the Multifamily Note delivered by the Partnership to the Governmental Lender as evidence of the Partnership’s obligation to repay the Tax-Exempt Loan. The Tax-Exempt Loan Promissory Note, together with the Tax-Exempt Loan Mortgage, are being assigned by the Governmental Lender to the Bank in connection with the

delivery of the Tax-Exempt Note.

“Tax-Exempt Note” means the \$13,500,000 Town of West Warwick Housing Authority Multifamily Housing Mortgage Revenue Note (Echo Valley Apartments Project), Series 2018. The Tax-Exempt Note evidences the advance of loan funds made or to be made by the Bank to the Governmental Lender, the proceeds of which will be used by the Governmental Lender to make the Tax-Exempt Loan to the Partnership. The interest on the Tax-Exempt Note is exempt from federal income tax under Section 103 and 142 of the Code and is within the State’s volume cap as provided in Section 146 of the Code.

“Tax-Exempt Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants by and between the Governmental Lender and the Partnership with respect to the Project.

“Tenant Income Certification” means a tenant’s initial tax credit certification, including the tenant income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.), a copy of one completed lease signed and dated for each Building in the Property, and a copy of the first and last page of each resident lease in each Building in the Property, showing the start date of the lease and signature of the resident(s) and owner.

“Title Company” means the Chicago Title Insurance Company.

“Title Policy” means the ALTA owner’s policy of title insurance issued to the Partnership by the Title Company as endorsed to include the Special Endorsements and updated to the date of the Investment Closing in the amount of not less than \$25,285,508 (which amount is not less than the acquisition and development costs of the Project).

“Title Search Report” means a title search report issued by the Title Company to the Partnership and the Investor Limited Partner as of a specified date evidencing that the Project is free and clear of any liens, charges or encumbrances other than the Mortgages, matters set forth in the Title Policy as of the date of Investment Closing, encumbrances the Partnership is permitted to create pursuant to the terms of this Agreement, and mechanics’ or other liens which have been bonded or insured against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Project or the Partnership for payment of any debt secured thereby.

“Town” means West Warwick, Rhode Island.

“Treasury Regulations” means the regulations promulgated under the Code at the time of reference thereto.

“UCC” means the Uniform Commercial Code as in effect under the laws of the State, as amended from time to time.

“Uniform Act” means the Delaware Revised Uniform Limited Partnership Act (6 Del. C. 17, § 1101 et. seq.) as in effect under the laws of the State of Organization, as amended from

time to time.

“Voluntary Loan” means a voluntary, unsecured, interest-bearing loan by any Partner to the Partnership as described in Section 9.1C.

“Volume Cap Application” means the application(s) submitted to the Rhode Island Public Finance Management Board to obtain the Volume Cap Approval, together with all exhibits and supplemental information submitted in connection therewith.

“Volume Cap Approval” means the approval of the Rhode Island Public Finance Management Board pursuant to which \$13,500,000 of the State’s volume cap allocation has been carried over to 2018 and transferred to the Governmental Lender for the Project.

“Withdrawal Purchase Price” shall have the meaning set forth in Section 7.7D.

“Withdrawal Purchase Price Note” means a non-interest bearing, unsecured promissory note from the Partnership to a removed or retiring General Partner in the original principal amount of the Withdrawal Purchase Price as described in Section 7.7H.

“Withdrawing Limited Partner” means Fairstead Affordable LLC, a Delaware limited liability company.

ARTICLE II

CONTINUATION, NAME AND PURPOSE

Section 2.1 Continuation

The parties hereto hereby agree to continue the limited partnership known as “Echo Preservation LP”, which was formed pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office; Agent for Service

A. The Partnership shall continue to be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership is located at 250 West 55th Street, 35th Floor, New York, NY 10019. The General Partner may at any time change the location of such principal office and shall give prompt notice of any such change to the Limited Partners.

B. The Partnership’s registered office in the State of Delaware is 3500 South DuPont Highway, Dover, Delaware 19901, County of Kent. The name and address of the registered agent of the Partnership for service of process is: Stellar Corporate Services LLC, 3500 South DuPont Highway, Dover, Delaware 19901, County of Kent.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, rehabilitate, develop, repair, improve, maintain, operate, manage, lease, dispose of and otherwise deal with the Project in accordance with any applicable Regulations and the provisions of this Agreement. The

Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement including, but not limited to, Article VI and Article IX, each of the Partnership and the General Partner acting on behalf of the Partnership is hereby authorized:

(i) To acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(ii) To acquire, construct, rehabilitate, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease the Project and any other real estate and any personal property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership and to secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Property or any other assets of the Partnership, to the extent permitted by the Project Documents.

(iv) To prepay in whole or in part, refinance, renew, recast, increase, modify or extend any Mortgage Loan and in connection therewith execute any extensions, renewals, or modifications of such Mortgage Loan.

(v) To engage any Person, including any Affiliate, to perform services for, or to sell goods to, the Partnership in the ordinary course of business and to pay for such goods and services; *provided that* (except with respect to any contract specifically authorized by this Agreement) the terms of any such transaction with an Affiliate shall not be less favorable to the Partnership than would be arrived at by unaffiliated parties dealing at arms' length.

(vi) To execute any and all notes, mortgages, security agreements, and other debt instruments required by any Lender in connection with the Mortgage Loans, and to execute any and all other documents required by any Governmental Agency in connection with the acquisition, construction, rehabilitation, repair, development, improvement, maintenance and operation of the Property.

(vii) To execute leases of the dwelling units in the Project.

(viii) To modify or amend the terms of any agreement or contract which the General Partner is authorized to enter into on behalf of the Partnership.

(ix) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and

contracts may be lawfully carried on or performed by a partnership under the laws of the State and the State of Delaware.

(x) To execute the Related Documents, as applicable, and any notices, documents or instruments permitted or required to be executed or delivered in connection therewith or pursuant thereto.

(xi) To become qualified as a foreign limited partnership duly registered and authorized to transact business in the State.

ARTICLE III

TERM AND DISSOLUTION

A. The Partnership shall continue in full force and effect in perpetuity, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

(i) the sale or other disposition of all or substantially all the assets of the Partnership;

(ii) the Retirement of a General Partner unless the business of the Partnership is continued pursuant to Article VII;

(iii) the election to dissolve the Partnership made in writing by the General Partner with the Consent of the Investor Limited Partner and any Requisite Approvals; or

(iv) the entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

B. Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Article VII), the General Partner (or for purposes of this paragraph its trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.2.

ARTICLE IV

PARTNERS; CAPITAL

Section 4.1 General Partners

A. The General Partner of the Partnership is Echo Preservation GP LLC, a Delaware limited liability company, and its address and Capital Contributions are set forth in the Schedule. In no event shall the aggregate Capital Contributions of the General Partner (excluding any Special Capital Contributions, Capital Contributions made pursuant to Section 4.1B below and

amounts, if any, paid pursuant to Section 10.2A) exceed \$100 without the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

B. In the event the entire Deferred Development Fee Note has not been paid by the thirteenth (13th) anniversary of the Completion Date, the General Partner shall make a Capital Contribution to the Partnership in the amount necessary to pay the balance of the Deferred Development Fee Note, and the General Partner shall cause the Partnership to immediately apply such proceeds to the discharge of such obligation in full.

Section 4.2 Limited Partners

A. BF Echo Valley, LLC, a Delaware limited liability company, is hereby admitted to the Partnership as the Investor Limited Partner thereof. Its address and Capital Contributions are set forth in the Schedule. The payment of its Capital Contribution is governed by Article V.

B. BFIM Special Limited Partner, Inc. is hereby admitted to the Partnership as the Special Limited Partner thereof. Its address and Capital Contribution are set forth in the Schedule.

C. The Withdrawing Limited Partner is Fairstead Affordable LLC, a Delaware limited liability company. By its execution of this Agreement, the Withdrawing Limited Partner hereby withdraws as a Limited Partner, and the Withdrawing Limited Partner, as such, shall have no further rights with respect to the Partnership as of the Admission Date.

Section 4.3 Partnership Capital and Capital Accounts

A. The capital of the Partnership shall be the aggregate amount contributed by the Partners as set forth in the Schedule. No interest shall be paid by the Partnership on any Capital Contribution. The Schedule shall be amended and, if necessary or appropriate, amendments to the Certificate shall be filed from time to time to reflect the withdrawal or admission of Partners and any changes in the Interest held or amounts contributed or agreed to be contributed by any Partner.

B. An individual Capital Account shall be established and maintained for each Partner, including any additional or substituted Partner who shall hereafter receive an Interest. The original Capital Account established for each such substituted Partner shall be in the same amount as, and shall replace, the Capital Account of the Partner which such substituted Partner succeeds, and, for the purposes of this Agreement, such substituted Partner shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Partner which such substituted Partner succeeds. The term “substituted Partner”, as used in this paragraph, shall mean a Person who shall become entitled to receive a share of the allocations and distributions of the Partnership by reason of such Person succeeding to the Interest of a Partner by assignment of all or any part of a Partner’s Interest. To the extent a substituted Partner receives less than 100% of the Interest of a Partner he succeeds, the original Capital Account of such substituted Partner and its Capital Contribution shall be acquired in such proportion or amount as agreed to by the substituted Partner and assigning Partner and the assigning Partner who retains a partial Interest in the Partnership shall retain the remainder of its Capital Contribution and Capital Account. Any special basis adjustments under Section 743 of the Code resulting from an election by the

Partnership pursuant to Section 754 of the Code shall not be taken into account for any purpose in establishing and maintaining Capital Accounts for the Partners pursuant to this Section 4.3.

C. Nothing in this Section 4.3 shall affect the limitations on transferability of Interests set forth in Article VII or Article VIII.

Section 4.4 Withdrawal of Capital

Except as may be specifically provided in this Agreement, no Partner shall have the right to (i) withdraw from the Partnership all or any part of its Capital Contribution or (ii) demand and receive property of the Partnership in return for its Capital Contribution or in respect of its Interest.

Section 4.5 Liability of Limited Partners

A. Neither the Investor Limited Partner nor the Special Limited Partner shall be liable for any debts, liabilities, contracts, or obligations of the Partnership. The Investor Limited Partner shall be liable only to make payments of its Capital Contribution as and when due hereunder. After its Capital Contribution shall be fully paid, the Investor Limited Partner shall not, except as otherwise required by the Uniform Act or Section 10.2A, be required to make any further capital contributions or payments or lend any funds to the Partnership.

B. In no event shall the Investor Limited Partner, the Special Limited Partner, any Person who is at any time (directly or indirectly) a partner, member, manager, director or officer of such Limited Partner, or Affiliate of any such Person, have any personal liability for the payment or performance of any obligation of the Limited Partners under the provisions of this Agreement or any document or instrument to be delivered in connection with this Agreement, including, without limitation, the obligations of the Investor Limited Partner to contribute capital to the Partnership. All parties dealing with the Limited Partners shall look solely to the Interest of the Investor Limited Partner for the satisfaction of any such obligation.

Section 4.6 Additional Limited Partners

The General Partner may admit additional Limited Partners only with the Consent of the Limited Partners.

ARTICLE V

CAPITAL CONTRIBUTIONS OF INVESTOR LIMITED PARTNER

Section 5.1 Installments of Capital Contributions

A. The Investor Limited Partner shall contribute as its Capital Contribution the sum of \$8,766,000, payable in six (6) installments (the "Installments") as follows:

(i) the first Installment (the "First Installment") in the amount of \$2,191,500 shall be paid on the latest to occur of (a) the date of Investment Closing, (b) acquisition of fee title to the Land and the Buildings, (c) the

assignment of the HAP Contract to the Partnership, (d) receipt of the Credit Approval, (e) the closing and initial funding of the Mortgage Loans to the extent contemplated in the closing requisition, and (f) satisfactory completion of the Investor Limited Partner's due diligence and closing requirements;

Concurrently with payment of the First Installment, the Partnership will pay \$15,000 to the Investor Limited Partner as reimbursement for the due diligence costs and professional, third-party fees incurred by the Investor Limited Partner in connection with its investment in the Partnership. Such expense reimbursement may, at the option of the Investor Limited Partner, be netted from the First Installment but the entire amount of the First Installment shall be deemed for all purposes to have been paid first, by the Investor Limited Partner to the Partnership as payment of the First Installment, and then, by the Partnership to the Investor Limited Partner as reimbursement of such costs and expenses;

(ii) the second Installment (the "Second Installment") in the amount of \$2,191,500 shall be payable on the later to occur of (a) the Fifty Percent Completion Date, and (b) April 1, 2019;

(iii) the third Installment (the "Third Installment") in the amount of \$2,191,500 shall be payable on the later to occur of (a) the Seventy Five Percent Completion Date, and (b) July 1, 2019;

(iv) the fourth Installment (the "Fourth Installment") in the amount of \$1,314,900 shall be payable on the later to occur of (a) the Completion Date, and (b) October 1, 2019;

(v) the fifth Installment (the "Fifth Installment") in the amount of \$657,450 shall be payable upon the latest to occur of (a) the Initial Qualified Occupancy Date, (b) submission of an application for IRS Forms 8609 to the Credit Agency with respect to all of the Buildings comprising the Project in form and substance reasonably acceptable to the Investor Limited Partner, (c) Final Closing (which may occur contemporaneously with payment of this Fourth Installment), (d) the Tax Credit Determination Date, (e) Cost Certification, (f) the Energy Property Cost Certification, (g) the Stabilization Date, (h) Fifty Percent Test Qualification, and (i) April 1, 2020;

(vi) the sixth Installment (the "Sixth Installment") in the amount of \$219,150 shall be payable upon the latest to occur of (a) receipt by the Partnership of properly completed and signed IRS Forms 8609 with respect to all of the Buildings comprising the Project, (b) receipt of a copy of the recorded Extended Use Agreement, (c) execution and delivery of the Deferred Development Fee Note, (d) the Energy Property PIS Date, and (e) July 1, 2020.

The General Partner hereby authorizes and directs the Investor Limited Partner to satisfy all or part of its obligation to make the Installments as and when due hereunder by making a payment of such amount on behalf of the Partnership

directly to the Bank as and to the extent required under the Tax-Exempt Loan Documents. Any amounts so paid shall be deemed for all purposes to have been advanced first by the Investor Limited Partner to the Partnership and then by the Partnership to the Bank in furtherance of the Partnership's obligations under the Tax-Exempt Loan Documents. This payment direction is being made for the benefit of the Bank and may not be amended or terminated without the written consent of the Bank.

B. The obligation of the Investor Limited Partner to make each Installment (except as otherwise provided) is subject to each of the following conditions:

(i) The General Partner shall have properly completed, executed and delivered to the Investor Limited Partner a certificate relating to the appropriate remaining Installments and/or additional Capital Contributions (the "Payment Certificate"), in the forms attached hereto as Exhibit G through Exhibit K relating to the appropriate remaining Installments and/or additional Capital Contributions, dated the date such Installment and/or additional Capital Contributions is to be paid to the Partnership and attaching a current Title Search Report and any other materials referred to therein. In connection with the payment of each Installment and/or additional Capital Contributions, the Special Limited Partner shall have the right to conduct a physical inspection of the Property to confirm the status of construction or rehabilitation thereof or to determine that the condition of the Project is consistent with sound business practices in the geographic area in which the Project is located, including no deferred maintenance. The Special Limited Partner shall commence such inspection within fifteen (15) business days of being requested to do so by the General Partner, *provided, however*, that the Special Limited Partner will be deemed to waive such physical inspection requirement if it does not commence such inspection within fifteen (15) business days of receipt of a written request by the General Partner to do so (which may be sent prior to the date of the Payment Certificate, but not more than fifteen (15) business days prior to the date of the Payment Certificate).

(ii) Each of the representations and warranties set forth in Section 6.5 shall be true and correct in all material respects.

(iii) No event shall have occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3.

(iv) No Material Default has occurred and is continuing.

(v) From and after the date of the occurrence of an Event of Bankruptcy as to any General Partner, Guarantor or Developer, the obligation of the Investor Limited Partner to pay the Installments shall be suspended, and such obligation shall be reinstated only when such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.

(vi) No Installment shall be payable unless all conditions for all prior Installments have been satisfied.

Section 5.2 Adjustment to Capital Contributions of Investor Limited Partner

The Capital Contribution of the Investor Limited Partner shall be subject to adjustment in the manner provided in this Section 5.2.

A. Federal Low Income Tax Credit Downward Basis Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner with respect to all of the Buildings comprising the Project during their respective Credit Periods is or will be less than the Projected Aggregate Federal Low Income Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be reduced in the aggregate by the sum of (i) \$0.95 (the “Federal Low Income Tax Credit Downward Basis Adjustment Factor”) for each \$1.00 that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner for all of the Buildings comprising the Project during their respective Credit Periods is less than the Projected Aggregate Federal Low Income Tax Credit Amount (except to the extent such shortfall is attributable to the recapture of Federal Low Income Tax Credits previously reported on a Partnership tax return, in which event the Federal Low Income Tax Credit Downward Basis Adjustment Factor shall be \$1.00 with respect to the portion of such shortfall attributable to such recapture), (ii) the amount of any interest and/or penalties paid or payable by the Investor Limited Partner (or its participants) as a result of any Recapture Event affecting the foregoing calculation, and (iii) 5.00% per annum on the sum calculated under clauses (i) and (ii) above commencing on the date of payment of the final Installment of Capital Contributions and continuing until the payment of the amount of such reduction in full.

B. Federal Low Income Tax Credit Downward Timing Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination pursuant to which, the amount of the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is less than \$897,779 in 2019 or \$897,779 in 2020 (the “Federal Low Income Downward Timing Adjuster Target Amounts”), then the Capital Contribution of the Investor Limited Partner shall be reduced by \$0.55 for each \$1.00 that the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is less than the applicable Federal Low Income Downward Timing Adjuster Target Amounts for any such years. Notwithstanding the foregoing, however, in the event that the Adjusted Aggregate Federal Low Income Tax Credit Amount shall vary from the Projected Aggregate Federal Low Income Tax Credit Amount in effect on the date of the Investment Closing, the Federal Low Income Downward Timing Adjuster Target Amounts for purposes of the preceding sentence shall be adjusted by the same percentage by which the Adjusted Aggregate Federal Low Income Tax Credit Amount varies from the Projected Aggregate Federal Low Income Tax Credit Amount.

C. Federal Low Income Tax Credit Upward Basis Adjuster. If the Accountants shall determine at the time of the final Installment (based upon the final IRS Forms 8609 for all of the Buildings comprising the Project) that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner with respect to all of the Buildings

comprising the Project during their respective Credit Periods is or will be greater than the Projected Aggregate Federal Low Income Tax Credit Amount (the “Additional Federal Low Income Tax Credits”), then the Investor Limited Partner will use commercially reasonable efforts to obtain additional funds from its investor(s) to increase its Capital Contribution to the Partnership by \$0.95 (the “Federal Low Income Tax Credit Upward Basis Adjustment Factor”) for each \$1.00 that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner for all of the Buildings comprising the Project during their respective Credit Periods is greater than the Projected Aggregate Federal Low Income Tax Credit Amount. Notwithstanding the foregoing, the cumulative increase in the Investor Limited Partner’s Capital Contributions pursuant to this Section 5.2C shall not exceed \$350,000. The Investor Limited Partner has no obligation to pay for any such Additional Federal Low Income Tax Credits and any failure by the Investor Limited Partner to do so will not constitute a default by the Investor Limited Partner under this Agreement. In the event that the Investor Limited Partner does not obtain additional funds from its investor(s) to pay for all or any portion of the Additional Federal Low Income Tax Credits pursuant to the provisions of this Section 5.2C within thirty (30) days after the date that the payment of the final Installment of Capital Contributions is due, then the General Partner’s sole remedy shall be the right to reduce the Investor Limited Partner’s Interest in profits and losses by a percentage equal to the Additional Federal Low Income Tax Credits for which the Investor Limited Partner does not increase its Capital Contribution divided by the Adjusted Aggregate Federal Low Income Tax Credit Amount (but in no event shall the Interest of the Investor Limited Partner be reduced below 95%), and increase the General Partner’s Interest in the Partnership by a like amount.

D. Federal Energy Tax Credit Downward Basis Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Adjusted Aggregate Federal Energy Tax Credit properly allocable to the Investor Limited Partner is less than the Projected Aggregate Federal Energy Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be reduced in the aggregate by the sum of (i) \$0.95 (the “Federal Energy Tax Credit Downward Basis Adjustment Factor”) for each \$1.00 that the Adjusted Aggregate Federal Energy Tax Credit Amount is less than the Projected Aggregate Federal Energy Tax Credit Amount (except to the extent that such shortfall is attributable to the recapture of Federal Energy Tax Credits previously reported on a Partnership tax return, in which event the Federal Energy Tax Credit Downward Basis Adjustment Factor shall be \$1.00 with respect to any portion of such shortfall attributable to such recapture), (ii) the amount of any interest and/or penalties paid or payable by the Investor Limited Partner (or its participants) as a result of the Recapture Event affecting the foregoing calculation, and (iii) 5.00% per annum on the amount calculated under clauses (i) and (ii) above commencing on the date of payment of the final Installment of Capital Contributions and continuing until the payment of the amount of such reduction in full.

E. Federal Energy Tax Credit Downward Timing Adjuster. If at any time and from time to time the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Federal Energy Tax Credits will be allocable to the Investor Limited Partner in 2021 (the “Federal Energy Downward Timing Adjuster Target Amount”), then the Capital Contribution of the Investor Limited Partner shall be reduced by \$0.15 for each \$1.00 that the Federal Energy Tax Credits properly allocable to the Investor Limited Partner in such year is less than the Federal Energy Downward Timing Adjuster Target

Amount. Notwithstanding the foregoing, however, in the event that the Adjusted Aggregate Federal Energy Tax Credit Amount shall vary from the Projected Aggregate Federal Energy Tax Credit Amount, the Federal Energy Downward Timing Adjuster Target Amount for purposes of the preceding sentence shall be adjusted by the same percentage by which the Adjusted Aggregate Federal Energy Tax Credit Amount varies from the Projected Aggregate Federal Energy Tax Credit Amount.

F. Application of Adjustments. If, upon the occurrence of any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2 (aggregating and/or netting (as applicable) all concurrent adjustments applicable to the Investor Limited Partner under this Section 5.2), including without limitation a Recapture Event, there is a reduction in such Capital Contribution, then such reduction shall be applied first to reduce the amount of any unpaid Installments of the Capital Contribution of the Investor Limited Partner, in order, until said adjustment is paid in full. If the reduction exceeds the amount of such unpaid Installments, or occurs after all Installments have been paid, then, within thirty (30) days of the date of the determination, the General Partner shall make a payment in the amount of such excess (a “Tax Credit Shortfall Payment”) to either: (i) the Partnership as a Capital Contribution, the proceeds of which shall be immediately distributed by the Partnership to the Investor Limited Partner provided that the General Partner has received the Consent of the Investor Limited Partner which shall be granted only where the Investor Limited Partner has determined (with the advice of Investor Tax Counsel) that such treatment is not likely to reduce the amount of Tax Credits that would otherwise be allocable to the Investor Limited Partner under this Agreement during the Compliance Period or (ii) directly to the Investor Limited Partner on an After-Tax Basis as a payment for breach of warranty, in which case the payment thereof shall not constitute a Capital Contribution, loan or advance to the Partnership and shall not be reimbursable by the Partnership. If full payment of such excess amount is not received within such thirty (30)-day period, the unpaid balance shall thereafter bear interest at the Designated Prime Rate. Notwithstanding anything to the contrary herein, if after aggregating and/or netting, as applicable, all concurrent adjustments applicable to the Investor Limited Partner under this Section 5.2 there shall be an aggregate increase in the Capital Contributions that is not paid by the Investor Limited Partner with respect to which the General Partner wishes to reduce the Investor Limited Partner’s Interest in profits and losses as contemplated by the preceding provisions of the Section 5.2, such reduction shall be calculated based on the total amount of Additional Federal Low Income Tax Credits and Additional Federal Energy Credits for which the Investor Limited Partner does not increase its Capital Contributions divided by the sum of the Adjusted Aggregate Federal Low Income Tax Credit Amount and the Adjusted Aggregate Federal Energy Tax Credit Amount.

G. Provisional Adjustments. If, upon receipt by the Investor Limited Partner of a Payment Certificate with respect to any Installment after the Third Installment, the Investor Limited Partner shall have a reasonable basis to believe that the amount of such Installment would have been subject to reduction if the Accountants had made a current determination or projection under any of the preceding provisions of this Section 5.2, the Investor Limited Partner may so notify the General Partner within seven (7) business days of receipt of such Payment Certificate, and the General Partner shall thereupon engage the Accountants to make such determination or projection (unless the General Partner and Investor Limited Partner shall mutually agree upon the adjustments to be made). The amount of the Installment in question

shall then be provisionally reduced in accordance with such projection or agreement; *provided, however,* that if the Accountants' subsequent determinations with respect to matters provisionally reduced under this paragraph shall vary from the determinations or mutual agreements described herein, then either (i) the Investor Limited Partner shall promptly pay to the Partnership the amounts, if any, by which the provisional reduction exceeded the reduction as subsequently determined or (ii) the amount, if any, by which the reduction as subsequently determined exceeded the provisional reduction shall be applied against future Installments or refunded as provided in Section 5.2F above. The due date for payment by the Investor Limited Partner of any Installment which shall become the subject of the procedure described in this paragraph shall be tolled pending determination of the provisional reduction (if any) as provided herein.

H. Cash Flow Adjuster Payments; Change in Law. Notwithstanding the foregoing, if a reduction in the Capital Contribution of the Investor Limited Partner occurs under this Section 5.2 as a result of a Change in Law, the Capital Contributions of the Investor Member shall not be reduced on account thereof but shall be paid to the Investor Limited Partner as a Tax Credit Shortfall Payment, without interest, solely from Cash Flow and Capital Transaction proceeds designated for such purpose pursuant to the provisions of Section 10.1A and 10.1B.

Section 5.3 Repurchase of Investor Limited Partner's Interest

A. The General Partner hereby agrees to purchase the Interest of the Investor Limited Partner if any of the following events shall occur:

(i) the Completion Date does not occur by April 1, 2020 (or such earlier date as may be required by any Lender or Governmental Agency), or Final Closing does not occur within nine (9) months from the Completion Date; or

(ii) at any time prior to the Development Obligation Date, (1) any action to foreclose any Mortgage shall have been commenced and such action is not terminated or withdrawn within thirty (30) days or a binding agreement with the holder(s) thereof to effect the same entered into within such period, and any notice of acceleration of indebtedness waived or withdrawn; (2) any action is commenced to foreclose any mechanics' or any other lien (other than the lien of any Mortgage) against the Project and such action has not within thirty (30) days been either bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Property or to the Partnership for payment of any debt secured thereby, or affirmatively insured against by the title insurance policy or an endorsement thereto issued to the Partnership by a reputable title insurance company (which insurance company will not have indemnity from or recourse against Partnership assets by reason of any loss it may suffer by reason of such insurance) in an amount satisfactory to Investor Tax Counsel; or (3) construction or operation of the Project shall have been enjoined by a final order (from which no further appeals are possible) of a court having jurisdiction and such injunction shall continue for a period of thirty (30) days; or

(iii) any of the Commitments is terminated, withdrawn or becomes

unenforceable (except as a result of full performance thereof in accordance with its terms) and such Commitment is not reinstated (or replaced on terms at least as favorable to the Partnership as determined by the Special Limited Partner) within thirty (30) days; or

(iv) a casualty occurs resulting in substantial destruction of more than 50% of the Project, or there is substantial destruction of less than 50% of the Project and the insurance proceeds (if any) are insufficient to restore the Project or the Project is not so restored within 24 months following such casualty; or

(v) the Project shall become ineligible for 30% or more of the Projected Aggregate Federal Low Income Tax Credit Amount; or

(vi) the Partnership shall fail to achieve Breakeven Operations within 36 months following the Completion Date; or

(vii) the Partnership shall fail to achieve the Fifty Percent Test Qualification as of the Completion Date, or the Partnership shall cause all or any portion of the Tax-Exempt Note to be redeemed prior to the Completion Date; or

(viii) the Partnership shall not have received properly completed and signed IRS Forms 8609 for each Building in the Project by the end of the second year of the Credit Period unless such delay is, in the reasonable judgment of the Special Limited Partner, beyond the reasonable control of the General Partner; or

(ix) a Disqualifying Event shall have occurred unless cured within a period of fifteen (15) business days (or such longer period as may be applicable thereto if such Disqualifying Event is an event otherwise described in any of the preceding clauses of this Section 5.3A).

B. If any such event set forth in Section 5.3A shall occur, the General Partner shall give notice to the Investor Limited Partner of the obligations of the General Partner hereunder to purchase its Interest (such obligation being herein called a "Purchase Obligation" and such notice the "Purchase Obligation Notice") within fifteen (15) days after the occurrence of any event giving rise to such obligation. If the Investor Limited Partner elects to sell its Interest hereunder, it shall give the General Partner notice of such election (an "Election Notice") within thirty (30) days after such Purchase Obligation Notice from the General Partner is received by the Investor Limited Partner (or, in the event that such Purchase Obligation Notice from the General Partner is not given, at any time after the occurrence of such event).

C. Within ten (10) business days after delivery to the General Partner of an Election Notice from the Investor Limited Partner, the General Partner shall pay the Investor Limited Partner a purchase price (the "Purchase Price") in cash (with interest thereon at an annual rate one percentage point above the Designated Prime Rate commencing on the fifth (5th) day following the date of such delivery) equal to (i) the sum of (a) 105% of the Investor Limited Partner's Net Capital Contribution (whether or not theretofore paid-in to the Partnership), with interest at the rate of 5% per annum commencing on the Admission Date through the date of payment of the Purchase Price, *plus* (b) the amount of any interest or penalties payable in

connection with any recapture of tax credits allocated to the Investor Limited Partner pursuant to this Agreement, plus (c) the actual and reasonable third-party costs incurred by the Investor Limited Partner in connection with the repurchase of its interest, plus (d) an amount equal to any outstanding Voluntary Loans or other amounts advanced by the Investor Limited Partner to the Partnership through the date of the Election Notice; less (ii) the sum of (a) that portion of the Net Capital Contribution which has not theretofore been paid-in to the Partnership, (b) the amount of Cash Flow theretofore distributed by the Partnership in respect of the Investor Limited Partner's Interest and (c) the amount of any Tax Credits allocable to the Interest which will not be recaptured as a result of the disposition of said Interest or otherwise.

D. Upon the giving of its Election Notice, the Investor Limited Partner shall have no further obligations under this Agreement, and the General Partner shall indemnify and defend the Investor Limited Partner and hold it harmless against any such obligations. The General Partner shall take all action and shall pay all costs necessary to enable the Investor Limited Partner to receive and retain the Purchase Price as against any creditor of any General Partner or the Partnership. Notwithstanding the purchase by the General Partner of the Interest of the Investor Limited Partner pursuant to Section 5.3A, to the extent permitted under the applicable provisions of the Code, the Investor Limited Partner shall be allocated any profits or losses and tax credits in respect of said Interest for the period prior to the date of the receipt by the Investor Limited Partner of payment therefor. Anything herein to the contrary notwithstanding, title to the Interest of the Investor Limited Partner shall not vest in the General Partner until payment in full of the Purchase Price therefor. Upon such payment, the General Partner shall forthwith cause an amendment hereto and to the Certificate and any other necessary papers to be executed, filed, recorded and published wherever required showing such substitution.

E. No agreement affecting the Project shall prevent the exercise by the Investor Limited Partner of its right to require the purchase by the General Partner of its Interest in the manner described in this Section 5.3.

F. The Investor Limited Partner shall have the right to waive its right to have its Interest repurchased at any time during which any of such rights shall be in effect. Any such waiver shall be exercised by delivery to the General Partner of a written notice stating under which clause(s) of this Section it is waiving its right to have its Interest repurchased and that its rights thereunder are thereby irrevocably waived from that date forward.

G. Should any General Partner repurchase the Interest of the Investor Limited Partner pursuant to this Section 5.3, then the Special Limited Partner agrees to withdraw from the Partnership at the same time the Investor Limited Partner's withdrawal is effective.

Section 5.4 Redemption of Partnership Interest

The Investor Limited Partner shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to require the Partnership to redeem the Interest of the Investor Limited Partner for a redemption price of \$100, and the Partnership shall promptly so redeem such Interest, whereupon the Investor Limited Partner shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners. Upon exercise by the Investor Limited

Partner of the foregoing right, the Partnership shall also be entitled to redeem the Interest of the Special Limited Partner for a redemption price of \$10, following which the Special Limited Partner shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners.

ARTICLE VI

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNER

Section 6.1 Restrictions on Authority

A. Notwithstanding any other provisions of this Agreement, the General Partner shall have no authority to perform any act in respect of the Partnership or the Project in violation of (i) any applicable law or regulation or (ii) any agreement between the Partnership and any Lender or Governmental Agency.

B. The General Partner shall not have any authority to do any of the following acts without the Consent of the Investor Limited Partner and any Requisite Approvals:

(i) except as specifically authorized in Article IX, to borrow money, incur indebtedness for money borrowed on the general credit of the Partnership, issue evidences of indebtedness or secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Property or any other assets of the Partnership, or

(ii) following completion of construction of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Property, or

(iii) to acquire any real property in addition to the Property (other than easements or similar rights necessary or convenient for the operation of the Project), or

(iv) to cause the Partnership to make any loan or advance to any Person (for purposes of this clause 6.1B(iv), accounts receivable in the ordinary course of business from Persons other than the General Partner or its Affiliates shall not be deemed to be advances or loans), or

(v) to lease any Low Income Unit to other than Qualified Tenants or otherwise operate the Project in such a manner or take any action which could cause any Low Income Unit to fail to be treated as a qualified low-income housing unit under Section 42(i)(3) of the Code or which would cause the recapture by the Partnership of any low-income housing credit under Section 42 of the Code, or

(vi) after the Investment Closing, to enter into any agreement with any Lender or Governmental Agency (*provided, however,* that any Consent of the

Investor Limited Partner required under this clause (vi) shall not be unreasonably withheld or delayed), or

(vii) to amend any Project Document, or to waive or permit any party thereunder to waive, any provision of any Project Document (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (vii) shall not be unreasonably withheld or delayed), or

(viii) except as expressly authorized in Section 9.2, to prepay in whole or in part, increase, refinance, renew, recast, modify or extend any Mortgage Loan after Investment Closing, or

(ix) to sell or convey the Property or any substantial portion thereof, except that the General Partner may cause the Partnership to grant easements and similar rights affecting the Land to obtain utility services for the Project or for other purposes necessary or convenient for the operation of the Project, or

(x) to cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any Person other than the Partnership, or

(xi) to cause the Partnership to accept or receive any grant (unless otherwise expressly contemplated under the terms of this Agreement);

(xii) to pledge or assign any of the Capital Contributions of the Investor Limited Partner or the proceeds thereof except pursuant to that certain Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement entered into by and between the Partnership and the Bank at the time of Investment Closing (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (xii) shall not be unreasonably withheld or delayed with respect to any other pledge or assignment to a Lender as security for a Mortgage Loan), or

(xiii) to amend any of the Related Documents, or

(xiv) to permit the merger, termination or dissolution of the Partnership,
or

(xv) to dismiss the Accountants or to engage a new firm as Accountants (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (xv) shall not be unreasonably withheld or delayed), or

(xvi) to approve any changes to the Plans and Specifications for the

Project which would (a) result, either individually or in the aggregate, in an overall development cost increase or decrease in excess of \$100,000, (b) add more than 15 days to the schedule in the Construction Contract, (c) materially reduce the quality of the construction materials, or (d) materially alter the design of the Project (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (xvi) shall not be unreasonably withheld or delayed), or

(xvii) to take any action that would cause the Property (including the Energy Property) or any part thereof to be treated as “tax-exempt use property” within the meaning of Section 168(h) of the Code, or

(xviii) to file a lawsuit on behalf of the Partnership (other than lease enforcement, collection or other routine legal actions in the ordinary course of business of the Partnership), or

(xix) to take any action that would subject any Limited Partner to liability as a general partner in any jurisdiction, or

(xx) to engage any sale or leasing agent or broker other than the approved Management Agent (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (xx) shall not be unreasonably withheld or delayed), or

(xxi) to decide not to repair or rebuild in case of material damage to the Project, or any portion thereof, arising out of a casualty or condemnation, or

(xxii) to hire any employees for any purposes, or

(xxiii) to take any action outside of the ordinary course of business of the Partnership, or

(xxiv) to redeem (or permit the redemption of) any Tax-Exempt Note prior to the Completion Date and achievement of Fifty Percent Test Qualification, or

(xxv) to execute agreements with any Governmental Agency (*provided, however,* that any Consent of the Investor Limited Partner required under this clause (xxv) shall not be unreasonably withheld or delayed).

C. Any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, and development of real estate, regardless of whether such real estate directly competes with the Project, and neither the Partnership nor any Partner shall have any rights by reason of this Agreement in and to such independent ventures.

Section 6.2 Partnership Audit Provisions

A. Defined Terms. The defined terms used in this Section 6.2 shall have the meanings

specified below:

“Administrative Adjustment Request” means an administrative adjustment request under Code Section 6227.

“Adjustment Year” means the Partnership taxable year in which (i) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under Code Section 6234, such decision becomes final, (ii) in the case of an Administrative Adjustment Request, such Administrative Adjustment Request is made, or (iii) in any other case, a notice of final Partnership Adjustment is mailed under Code Section 6231 or, if the Partnership waives the restrictions under Code Section 6232(b) (regarding limitations on assessment), the date the waiver is executed by the Service.

“Adjustment Year Partner” means any Person who held an interest in the Partnership at any time during an Adjustment Year.

“Applicable Guidance” means any Regulations, revenue ruling, revenue procedure, notice, forms, instructions, or other written guidance promulgated by the Service at any time or from time to time relating to the interpretation, scope or application of the Revised Partnership Audit Rules.

“Eligible Person” means any Person who is an individual, C corporation, eligible foreign entity, S corporation, or estate of a deceased Partner.

“Former Partner” means any Person who was a Reviewed Year Partner but is not an Adjustment Year Partner.

“Imputed Underpayment” has the meaning set forth in Section 6225 of the Code.

“Indirect Partner” means any Person who has an interest in the Partnership through its interest in one or more Pass-Through Partners.

“Partnership Adjustment” means any adjustment to any item of income, gain, loss, deduction, or credit of the Partnership, or any Partner’s distributive share thereof, in either case as described in any applicable Treasury Regulations or other guidance prescribed by the Service.

“Pass-Through Partner” means a pass-through entity that holds an interest in the Partnership, including a partnership (as described in Section 301.7701-2(c)(1) of the Treasury Regulations, including a foreign entity that is classified as a partnership under Section 301.7701-3(b)(2)(i)(A) or (C)), an S corporation, a trust (other than a trust described in the next sentence) and a decedent’s estate. For purposes of this definition, a pass-through entity does not include a disregarded entity described in Section 301.7701-2(c)(2)(i) of the Treasury Regulations or a trust that is wholly owned by only one Person, whether the grantor or another Person, and the trust reports the owner’s information to payors under Section 1.671-4(b)(2)(i)(A) of the Treasury Regulations.

“Push-Out Election” shall have the meaning set forth in Section 6.2C.

“Reviewed Year” means the Partnership taxable year to which a Partnership Adjustment relates.

“Reviewed Year Partner” means any Person who held an interest in the Partnership at any time during the Reviewed Year.

“Revised Partnership Audit Rules” means Subchapter 63C of the Code (as amended by the Bipartisan Budget Act of 2015, P.L. 114-74, the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and the Consolidated Appropriations Act of 2018, P.L. 155-141), and the Treasury Regulations promulgated thereunder, as amended from time to time.

“Taxes” means any tax, penalties, additions to tax, additional amounts, and interest as described in Section 6226 of the Code.

B. Partnership Representative

(i) Appointment and Designation. The Partners hereby authorize the Partnership to appoint the General Partner as the initial partnership representative of the Partnership pursuant to Section 6223(a) of the Code (the “Partnership Representative”). The General Partner shall be appointed by the Partnership Representative for each taxable year of the Partnership, provided that no event or circumstance has occurred which, with the giving of notice or the passage of time, would constitute a Material Default hereunder, or as otherwise directed by the Investor Limited Partner. The Partnership Representative shall designate an individual to serve as the sole individual through whom the Partnership Representative will act for purposes of the Revised Partnership Audit Rules (the “Designated Individual”) with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed). The Designated Individual must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Section 6.2 prior to and as condition of such designation.

(ii) Resignation; Revocation. The General Partner (and any successor Partnership Representative) may resign as the Partnership Representative by written notice to the Partnership, the Investor Limited Partner, and the Service. Notice of such resignation shall be given to the Service in the time and manner prescribed by the Service. The resigning Partnership Representative shall designate a successor Partnership Representative only as directed by or with the Consent of the Investor Limited Partner. If the General Partner is removed pursuant to the provisions of Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, the Partnership shall revoke the designation of the General Partner as the Partnership Representative for all taxable years during which such designation was in effect by written notice to the Partnership Representative and the Service. Notice of such revocation shall be given to the Service in the time and manner prescribed by the Service and shall include the designation of another Person selected by the Investor Limited Partner as the successor Partnership Representative for the Partnership taxable year for which

the designation was in effect. The Designated Individual shall automatically terminate on the effective date of the resignation or revocation of the applicable Entity as Partnership Representative. In furtherance hereof, the General Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of carrying out fully the provisions of this Section 6.2B(ii) and take any action which the Special Limited Partner may deem necessary or appropriate in connection therewith. The power of attorney hereby granted shall be deemed to be coupled with an interest, shall be irrevocable and shall survive and shall not be affected by the subsequent incapacity, dissolution, resignation, revocation or other termination of the General Partner as the Partnership Representative.

(iii) Successor Partnership Representative. Any successor Partnership Representative must have a substantial presence in the United States, be appointed or approved by the Investor Limited Partner, and otherwise satisfy all statutory and regulatory requirements imposed by the Revised Partnership Audit Rules. The Person so designated must agree in writing to be bound by the terms of this Section 6.2 and shall not take any action in its capacity as Partnership Representative until the resignation and/or revocation of the prior Partnership Representative becomes effective under the Code or Treasury Regulations.

(iv) Notice of Communications. The Partnership Representative shall give the Partners prompt notice of any inquiry, notice, or other communication received from the Service or other applicable tax authority regarding the tax treatment of the Partnership or the Partners, and shall, to the extent possible, give the Partners prior notice of and a reasonable opportunity to review and comment upon any written communication the Partnership Representative intends to make to any such taxing authority in connection with any examination, audit or other inquiry involving the Partnership. Without limiting the generality of the foregoing, the Partnership shall send to all of the Partners copies of any notice of a proposed or final partnership adjustment received by the Partnership and/or the Partnership Representative from the Service within five (5) days following receipt thereof.

(v) Duties and Limitations on Authority. The Partnership Representative and any Designated Individual shall have all power and authority of a partnership representative and designated individual, respectively, as set forth in Section 6223 of the Code, and shall represent the Partnership and its Partners in all dealings with the Service and state and local taxing authorities, provided, however, that, except as specifically provided in Section 6.2C below, the Partnership Representative shall not, without the Consent of the Investor Limited Partner, have any power or authority to do any or all of the following:

(a) make an election to opt out of the application of the Revised Partnership Audit Rules to the Partnership;

(b) make a Push-Out Election;

(c) file an Administrative Adjustment Request;

(d) select any judicial forum for the litigation of any Partnership tax dispute; or

(e) take any other action (or fail to take any action) that would have the effect of finally determining any tax audit or contest; or

(f) extend the statute of limitations.

(vi) Fiduciary Relationship. The relationship of the Partnership Representative to the Investor Limited Partner shall be that of a fiduciary, and the Partnership Representative shall have a fiduciary obligation to perform its duties in such manner as will serve the best interests of the Investor Limited Partner.

(vii) Indemnification. To the extent of available funds, the Partnership shall indemnify and hold harmless the Partnership Representative and the Designated Individual against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the Partnership Representative and/or the Designated Individual (as the case may be) in their respective capacity as the Partnership Representative and the Designated Individual (but not in either's capacity as a Partner or a Former Partner) in connection with any audit or administrative or judicial proceeding in which the Partnership Representative is involved solely by reason of being the Partnership Representative of the Partnership, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the Partnership Representative or the Designated Individual (as the case may be) and were the result of a course of conduct which the Partnership Representative and the Designated Individual (as the case may be), in good faith, reasonably believed to be in the best interests of the Partnership and the Investor Limited Partner and within the scope of its authority under this Section 6.2.

C. Modifications and Partnership Elections

(i) Modifications to Imputed Underpayment. If the Partnership and/or Partnership Representative receives notice of a proposed partnership adjustment from the Service, the Partnership Representative shall so notify the Partners in accordance with the provisions of Section 6.2B(iv) above and, if requested to do so by the Investor Limited Partner, shall request modification of the Imputed Underpayment proposed in such notice in accordance with any applicable Treasury Regulations, forms, instructions, and other guidance prescribed by the Service. Any such request by the Investor Limited Partner shall describe the modifications or adjustment factors that the Investor Limited Partner believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification. Unless an extension of time is granted by the Service, all information required to support a requested modification shall

be submitted by the Investor Limited Partner to the Partnership Representative no later than one hundred eighty (180) days after the Investor Limited Partner receives notice of the proposed partnership adjustment from the Partnership Representative, and the Partnership Representative shall submit such information to the Service no later than two hundred seventy (270) days after the date the proposed partnership adjustment notice was mailed by the Service.

(ii) Amended Returns. If requested to do by the Investor Limited Partner, the Partnership Representative shall request a modification of an Imputed Underpayment based on an amended return filed by a Partner (or Indirect Partner) which takes account of all of the Partnership adjustments properly allocable to such Partner (or Indirect Partner). Any such request shall be accompanied by an affidavit from the requesting Partner (or Indirect Partner) signed under penalties of perjury that the requesting Partner (or Indirect Partner) has filed each required amended return (or similar statement) and paid all Taxes due as a result of taking into account the adjustments in the first affected year and all modification years, as such terms are defined and applied in any applicable Treasury Regulations, forms, instructions, and other guidance prescribed by the Service.

(iii) Pull-In Procedure. In lieu of filing an amended return in accordance with Section 6.2C(ii) above, any Reviewed Year Partner may elect to comply with the “pull-in” procedure described in Section 6225(c)(2)(B) of the Code. In such event, such Reviewed Year Partner shall (a) pay all amounts due under Section 6225(c)(2)(A)(iii) of the Code, (b) take into account, in the form and manner set forth in any Applicable Guidance, the adjustments to the tax attributes of such Reviewed Year Partner, and (c) provide, in the form and manner specified by the Service (including, if so specified, in the same form as on an amended return), such information as the Service may require to carry out the terms and intent of the pull-in procedure described in Section 6225(c)(2)(B) of the Code. Copies of all notices and filings made pursuant to this Section 6.2C(iii) shall be provided by the Reviewed Year Partner to the Partnership Representative.

(iv) Reallocation Adjustment. In the case of a Partnership Adjustment that reallocates the distributive share of any tax item from one Partner to another, the Partnership Representative shall be required to submit the modification request to the Service under this Section 6.2C only if all Partners (or Indirect Partners) affected by such adjustment (“Affected Partners”) provide the affidavit(s) described in clause (ii) above or the Partnership Representative is notified by the Service that one or more Affected Partners have taken (or will take) into account their allocable share of the adjustment through other modifications approved by the Service (such as, but not limited to, a closing agreement).

(v) Push-Out Election. If the Partnership receives notice of a final Partnership Adjustment from the Service, the Partnership Representative shall so notify the Partners and any Former Partners in accordance with the provisions of Section 6.2B(iv) above and, if requested to do so by the Investor Limited Partner,

shall make an election (a “Push-Out Election”) under Section 6226 of the Code with respect to one or more Imputed Underpayments set forth in the final partnership adjustment notice. Except as hereinafter provided, if a Push-Out Election is made, each Reviewed Year Partner shall take into account its allocable share of the Partnership Adjustments that relate to the specified Imputed Underpayment and shall be liable for any Taxes as described in Section 6226 of the Code and any applicable Treasury Regulations or other guidance prescribed by the Service. Notwithstanding the foregoing, to the extent permitted by law, any Reviewed Year Partner that is a partnership or S corporation may, at its option and in accordance with any applicable Treasury Regulations or other guidance prescribed by the Service, elect (in lieu of paying its allocable share of such Partnership Adjustments) to push out the liability for Taxes attributable to such Partnership Adjustments to its Partners (including Indirect Partners). Any Push-Out Election shall be filed within forty-five (45) days of the date the notice of final Partnership Adjustment is mailed by the Service and shall be in such form, and shall contain such information, as required by any applicable Treasury Regulations, forms, instructions and other guidance prescribed by the Service. If a Push-Out Election is made, the Partnership Representative shall furnish to each Reviewed Year Partner and the Service, for each Reviewed Year within sixty (60) days after the date all of the Partnership Adjustments to which the statement relates are finally determined, a statement that includes all items and information required under any applicable Treasury Regulations, forms, instructions, and other guidance prescribed by the Service.

(vi) Reimbursement of Allocable Share of Imputed Underpayment. If the Partnership becomes obligated to make an Imputed Underpayment under Code Section 6225, each of the Partners (including any Former Partner) to whom such liability relates shall be obligated, within thirty (30) days after written notice from the General Partner, to pay an amount that, on an After-Tax Basis, is equal to its allocable share of such amount to the Partnership taking into account their respective obligations under this Agreement. Any amount not paid by a Partner (or Former Partner) within such 30-day period shall accrue interest at Prime Rate plus 2% until paid. Any such payments made by any Partner or Former Partner shall be treated as indemnity payments and not as Capital Contributions.

(vii) Withholding. Notwithstanding anything to the contrary contained herein, the General Partner shall cause the Partnership to withhold from any distribution or payment due to any Partner (or Former Partner) under this Agreement any amount due to the Partnership under clause (v) above. Any amount(s) so withheld shall be applied by the Partnership to discharge the obligation in respect of which such amount was withheld. All amounts withheld pursuant to the provisions of this Section 6.2C(vi) with respect to a Partner (or Former Partner) shall be treated as if such amounts were distributed or paid, as applicable, to such Partner (or Former Partner).

(viii) Indemnity. To the extent that a portion of the Taxes imposed under Code Section 6225 relates to a Former Partner, the General Partner shall

require such Former Partner to indemnify the Partnership for its allocable portion of such tax (including any penalties, additions to tax, additional amounts, and interest) to the extent such amounts have not been withheld pursuant to the provisions of Section 6.2C(vi). Each Partner acknowledges that, notwithstanding the transfer or liquidation of all or any portion of its Interest in the Partnership, it shall remain liable for Taxes with respect to its allocable share of income and gain of the Partnership for the Partnership's taxable years (or portions thereof) prior to such transfer or liquidation unless otherwise agreed to in writing by the Partners and Former Partners.

(ix) Continuing Obligations. Whether the liability is assessed to the Partnership or the Partners (or Former Partners), the parties hereto acknowledge and agree that nothing in this Section 6.2C is intended, nor shall it be construed, to modify or waive any obligations of the General Partner under this Agreement including, without limitation, the obligation to make a payment pursuant to the provisions of Section 5.2 of this Agreement.

D. Consistent Tax Treatment. Except as hereinafter provided, each Partner agrees that its treatment on its own federal income tax return of each item of income, gain, loss, deduction, or credit attributable to the Partnership shall be consistent with the treatment of such items on the Partnership return, including the amount, timing, and characterization of such items. Notwithstanding the foregoing general requirement, any Partner may file a statement identifying certain items that are inconsistent (or that may be inconsistent) in accordance with any applicable Treasury Regulations, forms, instructions, or other guidance provided by the Service. Any such statement shall be attached to the Partner's tax return on which the item is treated inconsistently.

E. Tax Counsel or Accountants. The Partnership Representative shall employ experienced tax counsel and/or accountants to represent the Partnership in connection with any audit or investigation of the Partnership by the Service or any other taxing authority and in connection with all subsequent administrative and judicial proceedings arising out of such audit. Such tax counsel and/or accountants shall be responsible for representing the Partnership; it shall be the responsibility of the Partners, at their expense, to employ tax counsel or accountants to represent their respective separate interests.

F. Survival. The obligations of each Partner or Former Partner under this Section shall survive the transfer, redemption or liquidation by such Partner of its Partnership Interest and the termination of this Agreement or the dissolution of the Partnership.

G. Amendments. Upon the promulgation of Treasury Regulations implementing the Revised Partnership Audit Rules or upon further amendment of the Revised Partnership Audit Rules, the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 6.2, while conforming with the applicable provisions of the revised partnership audit procedures. The Partners agree to work together in good faith to make elections and amend this Agreement (if any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative.

H. State and Local Income Tax Matters. The provisions of this Section 6.2 shall also apply to state and local income tax matters affecting the Partnership to the extent the terms and conditions hereof have any application to audit procedures at the state and local level.

Section 6.3 Business Management and Control; Certain Rights of the Special Limited Partner

A. The General Partner shall have the exclusive right to manage the business of the Partnership in accordance with this Agreement. No Limited Partner shall have any authority or right to act for or bind the Partnership.

B. Subject to the provisions of Section 6.1 and the other limitations set forth herein, the General Partner is hereby authorized to execute and deliver in the name and on behalf of the Partnership all such documents and papers (including any required by any Lender or Governmental Agency) as the General Partner deems necessary or desirable in carrying out its duties hereunder. In the event there shall be more than one General Partner, the powers of the General Partner hereunder shall be exercised by the majority-in-interest of the General Partners except as expressly provided to the contrary herein. A designation of a successor General Partner or the designation of an additional General Partner pursuant to Section 7.3 or 7.5 shall supersede any designation or other exercise of rights pursuant to this Section 6.3B.

C. In the event that (i) the Partnership is in default of any of its obligations under the Project Documents that has or is likely to have a material adverse impact on the Partnership, the Investor Limited Partner or the Project, (ii) any General Partner, Developer or Guarantor is in default in any material respect under any of its obligations under this Agreement or any of the Related Documents, (iii) a Recapture Event affecting the Federal Low Income Tax Credits shall have occurred with respect to five (5) or more units in any one Fiscal Year, (iv) a sole General Partner shall Retire, (v) an Event of Bankruptcy shall have occurred as to any General Partner, Developer or Guarantor, (vi) a General Partner or an Affiliate of a General Partner shall have committed fraud, or (vii) a General Partner shall have committed a breach of fiduciary duty owed to the Limited Partners in connection with the Partnership and/or the Project, then the Special Limited Partner may, at its election, give notice of such default to the General Partner and, (a) in the case of a default under sub-clauses (i), (ii) and (vii) above, if such default is not cured within ten (10) business days of having received written notice from the Special Limited Partner (or cured within a reasonable time (not to exceed thirty (30) days) in the event it is impossible to cure such default within such ten (10)-day period, *provided that* the General Partner is diligently and in good faith seeking to cure such default and there has been no assignment of or institution of proceedings to foreclose any Mortgage), or (b) in the event of such Retirement, Recapture Event, Event of Bankruptcy, fraudulent act or fiduciary breach under sub-clauses (iii) through (vii) above, promptly after the occurrence of such event, the Special Limited Partner may elect to become, or designate another Person to become, an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner, the Special Limited Partner or its designee shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing. If the Special Limited Partner or

its designee shall become an additional General Partner as herein stated, its Interest in the Partnership shall not be increased as a result thereof, *provided, however*, that the Special Limited Partner or its designee (as the case may be) shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners and the rights and authority of the remaining General Partners shall be deemed equally divided among them.

Section 6.4 Duties and Obligations of the General Partner

A. The General Partner shall use its reasonable best efforts to carry out the purposes, business and objectives of the Partnership, and shall devote to Partnership business such time and effort as may be reasonably necessary to (i) supervise the activities of the Management Agent, (ii) make inspections of the Project to determine if the Project is being properly maintained and that necessary repairs are being made thereto, (iii) prepare or cause to be prepared all reports of operations which are to be furnished to the Partners or to any Lender or Governmental Agency, (iv) cause the Partnership and the Project to comply in all material respects with each of the representations and covenants of the applicant set forth in the Federal Low Income Tax Credit Application, and (v) file all such certificates and do such other acts as may be necessary to qualify and maintain the Partnership as a limited partnership in good standing under the applicable laws of the State and take all reasonable steps necessary to assure that the Partnership is at all times classified as a partnership for federal income tax purposes.

B. Subject to the Project Documents and the requirements of Section 42 of the Code, the General Partner shall use reasonable efforts consistent with sound management practice to maximize income produced by the Project, including, if necessary, seeking any necessary approvals of, and implementing, appropriate adjustments in the rent schedule of the Project.

C. The General Partner shall timely execute and record in the appropriate filing office an Extended Use Agreement. The General Partner shall hold for occupancy such percentage of the apartments in the Project in such a manner as to qualify the entire Project as a qualified low income housing project under Section 42(g) of the Code as interpreted from time to time in regulations and rulings promulgated thereunder. The General Partner shall not take any action which would cause the termination or discontinuance of the qualification of the Project as a “qualified low income housing project” under Section 42(g) of the Code or which would cause the recapture of any Tax Credits without the Consent of the Investor Limited Partner.

D. The General Partner shall prepare and submit to the Secretary of the Treasury (or any other Governmental Agency designated for such purpose), on a timely basis, any and all annual reports, information returns and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for Tax Credits to the extent contemplated under this Agreement and (ii) unless the Consent of the Investor Limited Partner is received to act otherwise in a particular instance, to avoid recapture of Tax Credits for failure to comply with the requirements of Section 42 of the Code or other applicable law.

E. The General Partner agrees that neither it nor any Related Person will at any time bear the Economic Risk of Loss for payment of principal or interest on any Mortgage Loan from and after Final Closing (excluding non-recourse carve-outs in the Mortgage Loan Documents

related to situations involving fraud, willful misrepresentation, misappropriation of funds and other similar exceptions that are standard in transactions of this type and that are solely enforceable against the Partnership and the General Partner). Each General Partner agrees that it will not cause any Limited Partner at any time to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document, and each Limited Partner agrees not to take any action which would cause it to bear the Economic Risk of Loss for payment or performance under any Mortgage Loan Document.

F. The General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in their immediate possession or control. The General Partner shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership.

G. No General Partner shall contract away the fiduciary duty owed at common law to the Limited Partners.

H. The General Partner shall be solely responsible for the following:

- (1) analyzing the Qualified Allocation Plan (“QAP”) for targeted areas within a state;
- (2) arranging for the Real Property Tax Exemption;
- (3) analyzing a site’s economy and forecasting future growth potential;
- (4) determining the site’s zoning status and possible rezoning strategies;
- (5) contacting local government officials concerning access to utilities, public transportation and local ordinances;
- (6) performing environmental tests;
- (7) processing necessary documentation with the Credit Agency in connection with the Tax Credits;
- (8) arranging the permanent mortgage financing for the Project; and
- (9) arranging for the admission to the Partnership of the Investor Limited Partner and the Special Limited Partner.

In consideration for its services set forth in this Section 6.4H, the General Partner has received its Interest in the Partnership as set forth in Section 10.3. The General Partner shall not assign any of these duties to the Developer.

I. The General Partner shall (i) not store (except in compliance with applicable Hazardous Waste Laws) or dispose of any Hazardous Material at the Project; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Material to, at or from the

Project (except in compliance with applicable Hazardous Waste Laws); (iii) provide the Limited Partners with written notice (x) upon any General Partner's obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Project; (y) upon any General Partner's receipt of any notice to such effect from any federal, state, or other Governmental Agency and (z) upon any General Partner's obtaining knowledge of any incurrence of any expense or loss by any such Governmental Agency in connection with the assessment, containment, or removal of any Hazardous Material for which expense or loss any General Partner may be liable or for which expense or loss a lien may be imposed on the Project.

J. If requested to do so by the Investor Limited Partner at any time after the expiration of the "Option Period" under the Purchase Option Agreement, the General Partner shall use its best efforts to sell the Project on terms acceptable to the Investor Limited Partner. Any offer from a prospective buyer which is acceptable to the Investor Limited Partner shall be accepted by the Partnership; *provided, however*, the General Partner (or an Affiliate thereof) shall have a right of first refusal to purchase the Project on the same terms, exercisable by delivery of written notice to the Partnership and the Investor Limited Partner (the "ROFR Exercise Notice") within 20 days' written notice from the Investor Limited Partner of its desire to accept the offer and the General Partner shall consummate the purchase of the Project within 90 days of delivery of the ROFR Election Notice. If the Property is not sold or under contract pursuant to a purchase and sale agreement acceptable to the Investor Limited Partner within one (1) year after such request by the Investor Limited Partner, the Investor Limited Partner may select a real estate brokerage firm of its choice to market the Property on behalf of Partnership at a price determined by the Investor Limited Partner's brokerage firm and acceptable to the Investor Limited Partner in its sole discretion.

K. The General Partner, with the advice and Consent of the Investor Limited Partner, shall take such actions as may be necessary (including giving effect to applicable provisions of the Development Agreement) to insure that 50% or more of the aggregate basis of each of the Buildings (including site improvements) and the Land attributable thereto is financed with 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 under Section 146 of the Code and the General Partner has not and will not redeem any Tax-Exempt Note or pre-pay any portion of the Tax-Exempt Loan until the later of the Completion Date and achievement of Fifty Percent Test Qualification.

L. In the event that the Investor Limited Partner shall give notice to the General Partner that in the reasonable judgment of the Investor Limited Partner depreciation deductions will no longer be allocated to the Investor Limited Partner as a result of the treatment of any Mortgage Loan or the Deferred Development Fee Note or any other Partnership indebtedness as recourse or Partner Nonrecourse Debt ("Related Party Financing"), then the General Partner shall take all such action as may be necessary to assure that any outstanding balance of such Related Party Financing shall constitute a Partnership Nonrecourse Liability and the Investor Limited Partner shall give its Consent to allow the General Partner to take all necessary action, provided such action does not have any negative tax consequences for the Partnership or the Investor Limited Partner.

M. The General Partner shall cause the "House Rules" attached to all leases to contain a provision obligating tenants to notify the Management Agent immediately of any

suspected water leaks, moisture problems or mold in dwelling units or common areas of the Project.

N. The General Partner shall cause the Project to be insured in accordance the requirements set forth in **Exhibit C** and shall cause the Partnership to obtain and maintain such other coverage as may be required from time to time by any Lender under the Mortgage Loan Documents or as may be reasonably required from time to time by the Limited Partners in order to comply with regular requirements and practices of the Limited Partners in similar transactions including, if required by the Limited Partners, wind insurance and earthquake insurance, so long as any such insurance is generally available at commercially reasonable premiums as determined by the Limited Partners from time to time. The General Partner shall review regularly all of the insurance coverages to insure that all such policies are in effect and in compliance with the terms of this Agreement and the Mortgage Loan Documents. From time to time following the Admission Date, the General Partner shall deliver to the Special Limited Partner such further certificates or memoranda of insurance as the Special Limited Partner may reasonably require to confirm that such insurance and notice provisions with respect to insurance under this Agreement have been complied with.

O. The General Partner shall cause the development budget for the Project to remain in balance and shall provide for a construction contingency in the amount of \$660,487 (representing approximately 10% of the contract sum set forth in the Construction Contract), which shall be fully available on the Admission Date to fund Development Costs as necessary through the Completion Date.

P. The General Partner shall cause the Project to satisfy HUD's minimum physical condition standards for multifamily housing assisted under Section 8 of the Housing Act (under current practice, receipt of a HUD REAC inspection score of greater than 60) throughout the term of the HAP Contract; provided that the General Partner shall have a 45-day cure period for any failures to maintain such minimum physical condition standards (or such longer period of time as may be permitted by HUD). The General Partner also shall cause the Partnership to comply with HUD's financing reporting standards throughout the terms of the HAP Contract.

Q. The General Partner shall cause the Partnership to lease all of the dwelling units in the Project to Qualified Tenants. In addition, the General Partner shall cause the Partnership to comply with the eligibility and income targeting requirements under the HAP Contract.

R. The General Partner shall cause the Project to qualify for the Real Property Tax Exemption throughout the Compliance Period.

Section 6.5 Representations, Warranties and Covenants

The General Partner hereby represents and warrants to the Investor Limited Partner that the following are true and correct as of Investment Closing and will be true and correct on the due date for payment of each Installment and at all times hereafter:

(i) The Partnership is a duly organized limited partnership validly existing under the laws of the State of Delaware and has complied with all recording requirements with each proper Governmental Agency necessary to

establish the limited liability of the Limited Partners as provided herein and is duly qualified as a foreign limited partnership to do business in the State.

(ii) No litigation or proceeding against the Partnership, the General Partner, the Guarantor, the Developer, or any Designated Affiliate, nor any other litigation or proceeding directly affecting the Project, is pending before any court, administrative agency or other Governmental Agency which would, if adversely determined, have a material adverse effect on such Persons or their respective businesses or operations.

(iii) None of the Partnership, the General Partner, the Guarantor, the Developer, or any Designated Affiliate is in default in any material respect under any of the Project Documents (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default).

(iv) The Project Documents are in full force and effect except to the extent fully performed in accordance with their respective terms.

(v) All accounts and reserves are fully funded to the extent currently required by the Project Documents and this Agreement.

(vi) Except for non-recourse carve-outs in the Mortgage Loan Documents related to situations involving fraud, willful misrepresentation, misappropriation of funds and other similar exceptions that are standard in transactions of this type that are solely enforceable against the Partnership and the General Partner, no Partner nor any Related Person bears the Economic Risk of Loss for payment of principal or interest on any Mortgage Loan following Final Closing and, with the exception of any Deferred Development Fee Note, any other indebtedness incurred by the Partnership.

(vii) All building, zoning and other applicable certificates, permits, approvals and licenses necessary to undertake the construction and/or rehabilitation of the Project and to permit the use and occupancy of the Project have been or will be timely obtained.

(viii) Neither the Partnership nor the General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, permit, license, order or decree of any Governmental Agency which would have a material adverse effect on the Project or on the construction, rehabilitation, use or occupancy thereof, except for violations which have been cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction.

(ix) The Partnership has good and marketable fee title to the Property, free and clear of any liens, charges or encumbrances other than the Mortgages, matters set forth in the Title Policy delivered at Investment Closing, encumbrances the Partnership is permitted to create under Sections 2.4 and 6.1,

and mechanics' or other liens which have been bonded or insured against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Partnership for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy delivered at Investment Closing has or will have a material adverse effect upon the construction, rehabilitation, use or occupancy of the Project.

(x) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken with respect to the Partnership or the Property by the General Partner, the Developer, the Guarantor, or any Affiliate thereof which is an Entity have been or will be duly authorized by all necessary action, and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the organizational documents of any such Entity or any agreement by which any such Entity or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree. Each such Entity is duly organized and validly existing under the law of the state of its organization.

(xi) No General Partner is in default in any material respect in the observance or performance of any provision of this Agreement to be observed or performed by such General Partner.

(xii) The Related Documents are in full force and effect and no default by any party thereto (other than the Investor Limited Partner or its Affiliates) has occurred or is continuing thereunder nor has there occurred any event which, with the giving of notice or the passage of time, or both, would constitute such a default in any material respect thereunder.

(xiii) No Event of Bankruptcy has occurred and is continuing with respect to the Partnership, the General Partner, the Guarantor or the Developer.

(xiv) At all times throughout the Compliance Period, the Project will constitute a "qualified low-income housing project" under Section 42(g) of the Code and all Low Income Units in the Project will qualify as "low income units" under Section 42(i)(3) of the Code.

(xv) All tax returns, financial statements, Schedules K-1 and reports due under Sections 12.1B and 12.1E have been properly filed and/or transmitted, as applicable.

(xvi) No General Partner, Affiliate of a General Partner, or Person for whose conduct any General Partner is or was responsible has ever: (i) directly or indirectly transported, or arranged for transport, of any Hazardous Material to, at or from the Project (except if such transport was or is at all times in compliance with applicable Hazardous Waste Laws); (ii) caused or was legally responsible for

any release or threat of release of any Hazardous Material at the Project; (iii) received notification from any federal, state or other Governmental Agency of (x) any potential, known, or threat of release of any Hazardous Material from the Project; or (y) the incurrence of any expense or loss by any such Governmental Agency or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material from the Project.

(xvii) To the best of the General Partner's knowledge, except as set forth in the Environmental Reports, no Hazardous Material was ever or is now stored on, transported or disposed of on the Land (except to the extent any such storage, transport or disposition was at all times in compliance with all Hazardous Waste Laws).

(xviii) Neither the General Partner nor any Designated Affiliate has ever (i) been convicted of a felony; (ii) had a judgment entered against them for fraud, willful misconduct or breach of fiduciary duty; or (iii) been sanctioned by HUD, the Securities and Exchange Commission or any other government agency.

(xix) There are currently no criminal or civil actions or administrative proceedings pending against the General Partner or any Designated Affiliate.

(xx) The Adjusted Aggregate Federal Low Income Tax Credit Amount is expected to be at least \$8,997,790, and the aggregate Federal Energy Tax Credits is expected to be at least \$249,487 (as the same may be adjusted from time to time pursuant to the provisions of Section 5.2).

(xxi) Each of the representations and disclosures made by the Partnership to the Credit Agency in the Federal Low Income Tax Credit Application and the Volume Cap Application upon which the Credit Approval was based is true and correct as of the date hereof. Each of the covenants, agreements, and conditions contained in the Federal Low Income Tax Credit Application and the Credit Approval have been duly performed or satisfied to the extent that performance thereof is required on or prior to the date hereof, and the General Partner has no reason to believe that the covenants, agreements, and conditions required to be performed or satisfied after the date hereof will not be performed or satisfied in a timely manner.

(xxii) [reserved]

(xxiii) Fifty percent (50%) or more of the aggregate basis of each of the Buildings (including site improvements) and the Land attributable thereto will be financed with 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.

(xxiv) No employees shall be engaged by the Partnership.

(xxv) Fees payable by the Partnership to the General Partner and its Affiliates, as set forth herein or the other Project Documents, are reasonable and ordinary and customary in nature for the services to be provided, reflect the value of the services to which the fees relate, and are consistent with those paid in other similar projects of which the General Partner and its Affiliates have knowledge. Such fees have been or will be disclosed to the Credit Agency for the purpose of the determination by the Credit Agency of the financial feasibility and viability of the Property pursuant to Section 42(m)(2) of the Code.

(xxvi) None of the Mortgage Loans are subject to covenants requiring the ongoing maintenance of a specified debt service coverage or loan-to-value ratio (excluding, for this purpose, those required as a precondition to conversion of the Tax-Exempt Loan to its permanent phase).

(xxvii) Neither the General Partner nor any of its controlling principals is on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury.

(xxviii) No Disqualifying Event has occurred and is continuing.

(xxix) The General Partner is a single-purpose entity and shall cause the Partnership to:

(a) maintain its books and records separate from those of any other Person or Entity, including the General Partner its Affiliates;

(b) except as specifically permitted by the Project Documents, not commingle assets with those of any other Entity, including the General Partner and its Affiliates;

(c) conduct its own business in its own name or the name of the Project so as not to mislead others as to the identity of such Entity;

(d) maintain separate financial statements from any other Person or Entity, including the General Partner and its Affiliates;

(e) except as specifically permitted by the Project Documents or this Agreement, pay its own liabilities out of its own funds;

(f) observe all partnership formalities including without limitation holding all meetings and obtaining all consents required by this Agreement;

(g) maintain an arm's-length relationship with the

General Partner and its Affiliates;

(h) except as specifically permitted by the Project Documents, 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, including the General Partner and its Affiliates;

(i) allocate fairly and reasonably any overhead for shared office space or other similar expenses;

(j) use invoices and checks separate from any other Person or Entity, including the General Partner and its Affiliates; and

(k) hold itself out as and operate as an Entity separate and apart from any other Entity, including the General Partner and its Affiliates.

(xxx) There will be no real estate transfer taxes due to the State or any other Governmental Agency as a result of the admission of the Investor Limited Partner to the Partnership or any subsequent direct or indirect transfer of a partnership interest in the Investor Limited Partner.

(xxxii) The land that is the subject of the Environmental Reports is the same land that is described in the Mortgages and insured under the Title Policy.

(xxxiii) All of the representations and warranties set forth in the Closing Certificate are true and correct.

(xxxiv) Upon completion of the rehabilitation of the Project, the Project will qualify for the Real Property Tax Exemption and the General Partner shall take all actions within its control to cause the Project to qualify for the Real Property Tax Exemption throughout the Compliance Period.

(xxxv) The Energy Property shall be maintained in accordance with generally accepted standards and the maintenance costs of the Energy Property are included in the annual operating budget.

(xxxvi) The fees paid by the Partnership in connection with the development of the Energy Property are reasonable in amount for services performed or materials actually provided.

(xxxvii) The electricity generated by the Energy Property will not be used to heat a swimming pool.

(xxxvii) The Partnership will not power down (e.g. cause a cessation of use) or dispose of the Energy Property during the Energy Property Recapture Period.

(xxxviii) The Energy Property is not in violation of any state or local building code or regulation.

(xxxix) The Partnership will qualify for Federal Energy Tax Credits as a result of its installation and operation of the Energy Property.

(xl) The General Partner will cause the Partnership to reduce its Eligible Basis for purposes of the Federal Low Income Tax Credits by 50% of the Federal Energy Tax Credits received by the Partnership.

(xli) The General Partner will take commercially reasonable actions to ensure that the Credit Agency issues properly completed and signed IRS Forms 8609 for each Building in the Project not later than September 15th of the year following the first year of the Credit Period.

(xlii) A “notice to proceed” unconditionally authorizing commencement of the rehabilitation of the Project will be issued to the Builder within 15 days of Investment Closing.

Section 6.6 Indemnification

A. The General Partner (including any Retired General Partner) shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Partnership, *provided that* the same were not the result of gross negligence or misconduct on the part of any General Partner or any of its Designated Affiliates and were the result of a course of conduct which such General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this Section 6.6A shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof; *provided, however*, that no indemnification shall be provided for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves indemnification of litigation costs; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves indemnification of litigation costs; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made.

B. The Partnership shall not incur the cost of that portion of any insurance which insures any party against any liability as to which such party is herein prohibited from being indemnified.

C. The General Partner agrees to promptly indemnify, defend and hold harmless the Partnership and the Limited Partners from and against any and all claims, losses, damages, costs,

expenses and liabilities which the Partnership and the Limited Partners may incur by reason of any liabilities to which either the Partnership or the Project is subject at the Investment Closing that are known or should have reasonably been known at such time by the General Partner; provided, however, that the foregoing indemnification shall not apply to any Mortgage, necessary contractual obligations normally incurred in connection with the Property, matters related to the physical condition of the Property (unless known by the General Partner at the time of Investment Closing), or to acts for which such General Partner is entitled to indemnification under Section 6.6A.

D. The General Partner agrees to promptly indemnify, defend, and hold harmless the Partnership and the Limited Partners from and against any claims, losses, damages, costs, expenses or liabilities which the Partnership and the Limited Partners may incur on account of the presence or escape of any Hazardous Material at or from the Property (or at any other location). The foregoing indemnification shall not include opportunity costs or lost profits. Any such claims, losses, damages, costs, expenses or liabilities may be defended, compromised, settled, or pursued by the Limited Partners with counsel of the Limited Partners' selection, but at the expense of the General Partner. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of the General Partner (but only to the extent such Hazardous Materials were present at the Property at the time of such retirement, incompetency, bankruptcy or withdrawal).

E. The General Partner shall defend, indemnify and hold harmless the Partnership and the Limited Partners from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner's or any Designated Affiliate's gross negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation any breach by any General Partner or any Designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall not include opportunity costs or lost profits. The parties hereto acknowledge and agree that the provisions of Section 5.2 shall constitute the sole measure of damages in respect of any loss of Tax Credits that would also be covered under this Section 6.6E. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of the General Partner except that the General Partner shall not be liable for any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement under this Section 6.6E to the extent attributable to an action or omission of a successor General Partner admitted in its place under this Agreement.

F. Each Limited Partner shall be indemnified by the Partnership against any third-party claims or costs sustained or incurred by it solely on account of its participation as a Limited Partner of the Partnership and not arising from a specific action of a Limited Partner. The General Partner shall be primarily and concurrently liable for any matter that falls within the scope of both Sections 6.6E and 6.6F.

Section 6.7 Obligation to Complete Construction and to Pay Development Costs.

The General Partner shall (i) cause the construction and/or rehabilitation of the Improvements to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, and shall cause the Improvements to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Construction Documents and (ii) cause the Partnership to satisfy any other requirements necessary to achieve Final Closing in accordance with the Project Documents. If the Designated Proceeds as available from time to time are insufficient to pay all Development Costs, the General Partner shall advance or cause to be advanced to the Partnership from time to time as needed all such funds as are required to pay such deficiencies. Any such advances ("Development Advances") shall, to the extent permitted under the Project Documents and any applicable Regulations or requirements of each Lender and Governmental Agency (or otherwise with any Requisite Approvals), be reimbursed at or prior to the Development Obligation Date (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) only out of Designated Proceeds available from time to time after payment of all Development Costs. Any balance of the amount of each Development Advance not reimbursed through the Development Obligation Date (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) shall not be reimbursable, shall not be credited to the Capital Account of the General Partner, or otherwise change the Interest of any Person in the Partnership, but shall be borne by the General Partner under the terms of this Section 6.7. In lieu of funding a Development Advance hereunder, the Developer may agree to defer payment of its Development Fee provided that the Investor Limited Partner has determined (with the advice of Investor Tax Counsel) that the Deferred Development Fee can be paid from Cash Flow prior to the thirteenth (13th) anniversary of the Completion Date and that it is not likely to reduce the amount of Tax Credits that would otherwise be allocable to the Investor Limited Partner under this Agreement during the Compliance Period

Section 6.8 Obligation to Provide for Operating Expenses

Commencing on the Admission Date, the General Partner agrees that if the Partnership requires funds to discharge Operating Expenses, the General Partner will furnish to the Partnership the funds required. Amounts so furnished to fund Operating Expenses incurred prior to the Development Obligation Date shall be deemed Special Capital Contributions. Amounts furnished to fund Operating Expenses incurred on or after the Development Obligation Date shall constitute Operating Expense Loans. Any such Operating Expense Loans shall not bear interest and be repayable only as provided in Article X.

Section 6.9 Certain Payments to the General Partner and Affiliates

A. For its services in connection with the development of the Property and the supervision to completion of the construction of the Improvements, the Developer shall be entitled to receive the Development Fee set forth in the Development Agreement.

B. All of the Partnership's expenses shall be billed directly to, and paid by, the Partnership to the extent practicable. Subject to the terms of this Agreement, reimbursements to

a General Partner or any of its Affiliates by the Partnership shall be allowed subject to the following conditions:

(i) such goods or services must be necessary for the prudent formation, development, organization or operation of the Partnership;

(ii) reimbursement for goods or services provided by Persons who are not affiliated with a General Partner shall not exceed the cost to the General Partner or its Affiliates of obtaining such goods or services; and

(iii) reimbursement for goods and services obtained directly from a General Partner or its Affiliates shall not exceed the amount the Partnership would be required to pay independent parties for comparable goods and services in the same geographic location and shall not include reimbursement for the general overhead of the General Partner and its Affiliates (including salaries and benefits of employees thereof).

C. Neither the General Partner nor any of its Affiliates shall be entitled to any compensation, fees or profits from the Partnership in connection with the acquisition, construction, development or rent-up of the Land or Improvements or for the administration of the Partnership's business or otherwise, except for (i) payments provided for or referred to in Sections 2.4(v) or 6.9, (ii) payment of the Development Fee, and (iii) fees and distributions under Article X.

Section 6.10 Joint and Several Obligations

If there is more than one General Partner, all obligations of the General Partner hereunder shall be joint and several obligations of the General Partners, except as herein expressly provided to the contrary.

Section 6.11 Reserve Accounts

A. The General Partner shall establish a reserve account for capital replacements (the "Replacement Reserve"), which account shall be funded by monthly deposits of \$2,500, which amount equals \$300 per unit per year (or such greater amount as may be required by any Lender or, subject to any Requisite Approvals, such lesser amount as shall be approved in writing by the Special Limited Partner from time to time), commencing on the Completion Date and increasing at the end of each calendar year thereafter by three percent (3.00%). Subject to Requisite Approvals, withdrawals from such reserve shall be utilized solely to fund capital repairs and improvements deemed necessary by the General Partner.

B. The General Partner shall cause the Partnership to establish a reserve account for operating deficits (the "Operating Reserve") by depositing \$750,846 into the Operating Reserve, of which \$531,696 shall be funded from the proceeds of the Fifth Installment of Capital Contributions of the Limited Partner and the balance shall be funded from the proceeds of the Sixth Installment of Capital Contributions of the Limited Partner; *provided, however*, that if for any reason such proceeds shall be insufficient to fully fund the Operating Reserve at such time, the General Partner shall promptly fund any such shortfall. Any amounts so furnished by the

General Partner to fund the Operating Reserve shall not be reimbursable, shall not be credited to the Capital Account of any Partner or otherwise change the Interest of any Person in the Partnership, but shall be the sole expense and responsibility of the General Partner as a cost incurred by it in fulfilling its obligations under Section 6.7. Subject to any Requisite Approvals and the Consent of the Special Limited Partner (not to be unreasonably withheld or delayed), funds held in the Operating Reserve may be used to pay Operating Expenses to the extent required after the Development Obligation Date but only after the Guarantors have exhausted their Operating Expense Obligation (as such term is defined in the Guaranty Agreement). Funds held in the Operating Reserve may be invested in Permitted Investments at the election of the General Partner; however, the General Partner shall make a Special Capital Contribution to the Partnership in an amount necessary to enable the Partnership to restore any lost earnings in the Operating Reserve as a result thereof. At any time that the Operating Reserve is not held by a Lender, the Operating Reserve shall be held at Santander Bank. The Operating Reserve shall be maintained throughout the Compliance Period. At any time following expiration of the Compliance Period, at the election of the General Partner, funds remaining in the Operating Reserve may be released to the Partnership as Cash Flow and distributed pursuant to the provisions of Section 10.1A.

C. The General Partner will cause the Partnership to establish and maintain such other escrow accounts as may be required by any Lender or Governmental Agency including, without limitation, an escrow account for payment of real estate taxes and insurance premiums in the initial amount of \$76,498.

ARTICLE VII

WITHDRAWAL AND REMOVAL OF A GENERAL PARTNER

Section 7.1 Voluntary Withdrawal

No General Partner shall have the right to Retire voluntarily from the Partnership or sell, assign, encumber or otherwise dispose of its Interest without the Consent of the Investor Limited Partner and any Requisite Approvals.

Section 7.2 Obligation to Continue

In the event of a Retirement of a General Partner, the remaining General Partners (if any) and each successor General Partner shall have the obligation to continue the business of the Partnership in accordance with the provisions of this Agreement and the other Project Documents.

Section 7.3 Successor General Partner

A. Upon the occurrence of a Retirement of a General Partner, the remaining General Partners (if any) may designate a Person to become a successor General Partner to the Retired General Partner. Upon receipt of all Requisite Approvals, the Consent of the Investor Limited Partner and, if required by the Uniform Act or any other applicable law, the consent of any other Partner, the Person so designated shall become the successor General Partner.

B. If a General Partner shall Retire at a time when there is no remaining General Partners and no successor General Partner is to be admitted pursuant to Section 7.3A, then the Investor Limited Partner shall have the right, subject to any Requisite Approvals, to designate a Person to become the successor General Partner.

C. If the Investor Limited Partner elects to reconstitute the Partnership and admit a successor General Partner pursuant to this Section 7.3, the relationship of the Partners in the reconstituted Partnership shall be governed by this Agreement.

Section 7.4 Interest of Predecessor General Partner

A. Anything herein contained to the contrary notwithstanding, any General Partner withdrawing voluntarily in violation of Section 7.1 shall remain liable for all of its obligations under this Agreement, for all its other obligations and liabilities hereunder incurred or accrued prior to the date of its withdrawal and for any loss or damage which the Partnership or any of its Partners may incur as a result of such withdrawal except for any loss or damage attributable to the default, negligence or misconduct of a successor General Partner admitted in its place under this Agreement.

B. The disposition of the Interest of a General Partner Retiring voluntarily in compliance with this Agreement shall be accomplished in such manner as shall be acceptable to the remaining General Partners, shall be approved by Consent of the Investor Limited Partner and shall have obtained any Requisite Approvals. Any other Retirement of a General Partner shall be governed by Section 7.7D.

Section 7.5 Designation of New General Partners; Agreement to be Bound by Project Documents

The General Partner may designate an additional General Partner to be admitted to the Partnership with such Interest in the Partnership as the General Partner shall so specify, subject to Requisite Approvals and the Consent of the Investor Limited Partner. No assignee or transferee of all or any portion of the Interest of a General Partner shall have an automatic right to become a General Partner. Until all Requisite Approvals and the Consent of the Investor Limited Partner have been obtained, such Interest shall be deemed to be that of an assignee and the holder thereof shall be entitled only to such rights as an assignee may have as such under the laws of the State.

Any new General Partner shall, as a condition of receiving any interest in the Partnership, agree to be bound by the Project Documents and any other documents required in connection therewith and by the provisions of this Agreement, to the same extent and on the same terms as any other General Partner.

Section 7.6 Amendment of Certificate; Approval of Certain Events

Upon the admission of a new General Partner, the Schedule shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed as required by the Uniform Act.

Each Partner hereby consents to and authorizes any admission or substitution of a General Partner or any other transaction, including, without limitation, the continuation of the Partnership business, which has been expressly authorized under the provisions of this Agreement, and hereby ratifies and confirms each amendment of this Agreement as may be necessary or appropriate to give effect to any such transaction.

Section 7.7 Removal or Nonconsensual Retirement of the General Partners

A. In addition to any other rights granted to the Limited Partners hereunder, the Special Limited Partner shall have the right to remove and replace the General Partner in accordance with the provisions of this Section 7.7 if a Material Default (defined below) occurs and is not cured within the time period set forth in this Section 7.7. If at any time there is more than one General Partner, all General Partners may be removed and replaced in accordance with the provisions of this Section 7.7 in the event of a Material Default by any General Partner.

B. As used in this Section 7.7, "Material Default" means the occurrence of any of the following events:

(i) a breach by any General Partner (or any of its Affiliates) of any of its representations or warranties contained herein or in the performance of any of its obligations under this Agreement or the Related Documents;

(ii) a violation by any General Partner of any law, regulation, permit, license, or order applicable to the Partnership or the Project which violation has not been cured promptly after notice thereof or otherwise waived in writing by the applicable Governmental Agency;

(iii) a material breach by the Partnership or the General Partner of any provision of this Agreement including, without limitation, the failure to fund Development Costs, Operating Expenses, required reserves, and Tax Credit Shortfall Payments or to comply with the provisions of Section 6.4L;

(iv) a material breach by the Partnership or the General Partner (or any of its Affiliates) under any Project Document which breach is not cured within the applicable cure period as set forth in such agreement or document, including but not limited to a breach of any debt service requirements under any of the Mortgage Loan Documents;

(v) a breach by the Guarantor of any of its obligations under the Guaranty Agreement (including its failure to maintain a specified net worth or liquidity in accordance with the terms of such Guaranty Agreement);

(vi) an Event of Bankruptcy as to any General Partner, any Guarantor or the Partnership;

(vii) the commencement of foreclosure proceedings with respect to any Mortgage, which have not been withdrawn or dismissed within thirty (30) days after the date of such commencement;

(viii) gross negligence, fraud, willful misconduct, or misappropriation of Partnership funds by a General Partner or any Affiliate of a General Partner providing services to or in connection with the Partnership or the Project; or

(ix) a breach of fiduciary duty by a General Partner.

C. In the event that the Special Limited Partner determines to remove any General Partner pursuant to the provisions of this Section 7.7, the Special Limited Partner shall notify the General Partner in writing of the Material Default that is the cause for the removal of the General Partner (any such notice being referred to herein as a “Removal Notice” and the date of such Removal Notice being referred to herein as the “Removal Notice Date”). In the case of any Material Default described in clauses (i), (ii), (iii), (iv) or (ix) of Section 7.7B above, the General Partner shall have ten (10) business days (or twenty (20) business days if it is a non-monetary default) from the Removal Notice Date to cure the Material Default; *provided, however*, that if a non-monetary Material Default cannot be reasonably cured within twenty (20) business days, the General Partner shall not be removed if the General Partner commences such cure within twenty (20) business days and proceeds in good faith to cure diligently thereafter, *provided that* the cure is completed within sixty (60) business days following the Removal Notice Date (or such lesser period as is required to cure the Material Default), and the failure to cure such Material Default within a shorter period does not have a material adverse effect on the Partnership, the Property, or the Investor Limited Partner. For purposes of this paragraph, the failure to provide or maintain any insurance required by this Agreement shall be deemed to be a monetary default. If the General Partner fails to cure within the specified time period, or if no cure right is afforded under the terms hereof, the removal of the General Partner shall be deemed to be effective as of the expiration of any applicable cure period described above; otherwise, such removal shall be effective upon the conclusion of the applicable cure period without a cure of such Material Default reasonably acceptable to the Investor Limited Partner. The General Partner shall have no right to cure any Material Default described in clause (viii) of Section 7.7B above. Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing.

D. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, the Partnership shall pay to such General Partner in the manner set forth in Section 7.7H an amount equal to (x) the sum of (i) an amount equal to the General Partner’s positive Capital Account balance, if any, following a deemed sale of all Partnership property and a deemed liquidation of the Partnership (but prior to any deemed distributions upon liquidation) and (ii) the unpaid principal balance of any Operating Expense Loans minus the sum of (y) an amount equal to any Adverse Consequences suffered by the Partnership or the Limited Partners as a result of the acts or omissions of the General Partner prior to its removal or Retirement, including, without limitation, any Material Default creating the right of the Special Limited Partner to remove the General Partner pursuant to the provisions of this Section 7.7 and (z) the amount of any transfer taxes that are triggered by the removal or Retirement and the cost of any additional title insurance or title endorsements deemed to be necessary by the Special Limited Partner as a result of such removal or Retirement shall be paid by the removed or Retired General Partner. The

resulting amount is referred to herein as the “Withdrawal Purchase Price”. Notwithstanding the foregoing, the Withdrawal Purchase Price shall not exceed the amount which the removed or Retired General Partner would have received under Section 10.2 from a deemed sale of the Project on the Removal Notice Date or the date of Retirement (as applicable) and a deemed liquidation of the Partnership, based on the Appraised Value of the Project determined under Section 7.7G below.

E. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, any fees owed to the General Partner or its Affiliates (excluding any unpaid Development Fee) for services performed prior to the Removal Notice Date or date of Retirement, as applicable, shall be applied to pay (i) any Adverse Consequences suffered by the Partnership or the Limited Partners, (ii) any unpaid obligations or liabilities of the removed or Retired General Partner that relate to the period up to and including the effective date of the removal or Retirement of the General Partner including, without limitation, any Financing Gap (defined below) in the Partnership’s ability to achieve Permanent Mortgage Commencement, and (iii) the balance of any fees owed to the removed or Retired General Partner or its Affiliates (excluding any unpaid Development Fee) shall be assigned to the successor or replacement General Partner as compensation for serving as the successor to the removed or Retired General Partner. Such amounts shall be treated as if they were paid to the General Partner (or such Affiliates) and applied by the General Partner (or such Affiliates) to the payment of the obligations specified in subclauses (i), (ii) and (iii) above, and the Partnership’s liability for any fees owed to the General Partner or its Affiliates shall be eliminated. For purposes of this Section 7.7E, “Financing Gap” shall mean an amount equal to the maximum principal amount of the construction-period Mortgage Loans *less* the principal amount of the Mortgage Loans after Permanent Mortgage Commencement *plus* any amounts required to release any existing liens or other obligations necessary for Final Closing *plus* any fees and/or costs associated therewith.

F. If a General Partner that is an Affiliate of the Developer is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires (the “Affiliated General Partner”), at the election of the Special Limited Partner, in its sole and absolute discretion, immediately prior to any such removal and/or withdrawal of the Affiliated General Partner, to the extent all or any portion of the Development Fee remains unpaid as of the day preceding the effective date of such removal and/or withdrawal of such Affiliated General Partner, such Affiliated General Partner shall immediately make a capital contribution to the Partnership in an amount sufficient to pay any unpaid balance of the Development Fee. The Special Limited Partner shall then cause the Partnership to immediately apply such proceeds to the discharge of such obligation in full. In the event the Affiliated General Partner does not make the capital contribution in the manner and amount described herein, then at the election of the Special Limited Partner in its sole and absolute discretion, (i) the Withdrawal Purchase Price may be paid directly to the Developer in an amount equal to any remaining unpaid Development Fee with any remaining Withdrawal Purchase Price paid to the removed or Retired General Partner in accordance with this Section 7.7(H) below or (ii) the Partnership may offset amounts due to the Partnership by the Affiliated General Partner that arise under this Agreement and/or any of the Project Documents against the unpaid Development Fee. The Affiliated General Partner hereby represents and warrants to the other Partners that the Development Agreement contains this right to offset in subsection (ii) above and the Affiliated

General Partner covenants not to modify this right without the Consent of the Special Limited Partner.

G. The Appraised Value of the Property shall be determined as follows. As soon as practicable and in any event within ten business days following the effective date of removal as specified in Section 7.7C above or the date of Retirement (as applicable), the General Partner and the Special Limited Partner shall select a mutually acceptable Independent Appraiser, in which case the determination of such Independent Appraiser shall control. In the event that the parties are unable to agree upon an Independent Appraiser within such ten business day period, the removed or Retired General Partner and the Special Limited Partner each shall select an Independent Appraiser. If either party fails to select an Independent Appraiser within the time period described above, the determination of the other Independent Appraiser shall control. If the difference between the Appraised Values set forth in the two appraisals is not more than ten percent (10%) of the Appraised Value set forth in the lower of the two appraisals, the fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two Independent Appraisers shall jointly select a third Independent Appraiser whose determination of Appraised Value shall be deemed to be binding on all parties as long as the third determination is between the other two determinations. If the third determination is either lower or higher than both of the other two appraisals, then the average of the third appraisal and the next closest appraisal shall be the fair market value. The Partnership and the removed or Retiring General Partner shall each pay one-half of the fees and expenses of any Independent Appraiser(s) selected pursuant to this Section 7.7G.

H. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, any Withdrawal Purchase Price due to the removed or Retired General Partner pursuant to the provisions of Section 7.7D above shall be paid in the form of an unsecured promissory note from the Partnership ("Withdrawal Purchase Price Note"), which note shall be repaid pursuant to an additional distribution of Capital Transaction proceeds in Section 10.1B immediately following clause *Eighth*.

I. Upon determination of the Withdrawal Purchase Price under the provisions of this Section 7.7, the Partnership and its remaining Partners shall be deemed to be completely released from all liability to such removed or Retired General Partner and its Affiliates generally and to any others claiming by or through such General Partner to whom any distributions or loan, fee or other payments are to be made under Article X or otherwise. Concurrently with the determination of the Withdrawal Purchase Price, the removed or Retired General Partner shall provide the Partnership, the successor General Partner(s) and the Investor Limited Partner with additional written releases from such General Partner (and any Affiliates to whom obligations of any kind are owed by the Partnership, the successor General Partner(s), the Limited Partners or any of their respective Affiliates) confirming such releases.

J. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, (i) all agreements between the Partnership and the General Partner and/or its Affiliates may, at the election of the Partnership, be terminated and, except for payment of the Withdrawal Purchase Price due to the

General Partner (or such Affiliates), the Partnership shall have no further obligations under such agreements, and (ii) the removed or Retired General Partner shall be liable for all costs and expenses incurred by the Partnership or the Limited Partners in connection with the admission to the Partnership of a successor General Partner, which shall be considered Adverse Consequences for a purpose of this Section. From and after the effective date of its removal or Retirement, the removed or Retiring General Partner shall not be liable for obligations of the Partnership incurred subsequent to such effective date unless such obligations arise out of acts or omissions of the removed or Retired General Partner prior to such effective date. The removed or Retired General Partner shall continue to be liable for all obligations, liabilities, and guarantees incurred by it in its capacity as the General Partner and any Partnership obligations not listed in the prior year's financial statements or otherwise described in writing to the Special Limited Partner, and for any Adverse Consequences caused by or arising out of its acts or omissions, prior to the effective date of its removal or Retirement. Without limiting the generality of the foregoing, and in addition to any of its other obligations hereunder, the removed or Retiring General Partner shall continue to be liable for any payments or advances due to the Limited Partners or the Partnership pursuant to the Capital Contribution adjustment provisions of Article V as a result of any adjustments determined thereunder, other than adjustments arising from (i) a Recapture Event occurring subsequent to the effective date of removal or Retirement and not caused by an act or omission of the removed or Retired General Partner prior to the effective date of the removal or Retirement or (ii) the acts or omissions of any replacement or successor General Partner subsequent to the effective date of the removal or Retirement of the removed or Retired General Partner. In addition, the General Partner agrees to indemnify, defend, protect and hold the Partnership, the Investor Limited Partner and the Special Limited Partner harmless from and against all losses, costs, damages, liabilities, fines, penalties, actions, suits and expenses incurred in connection with any Material Default, the Voluntary Withdrawal or Involuntary Withdrawal of a General Partner, and the exercise of the remedies provided above, including, without limitation, all reasonable attorneys fees.

K. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, the Special Limited Partner may designate a Person or Persons, including, without limitation, an Affiliate of the Special Limited Partner, to become a successor General Partner or Partners replacing the removed or Retired General Partner, subject to any Requisite Approvals and to the terms of the Project Documents.

L. The election by the Special Limited Partner to remove any General Partner pursuant to the provisions of this Section 7.7 shall not limit or restrict the availability and use of any other remedy that the Special Limited Partner or the Investor Limited Partner may have with respect to any General Partner in connection with its undertakings and responsibilities under this Agreement, and the exercise by the Special Limited Partner of the rights granted to it in this Section 7.7 is understood by the parties hereto to be permitted by the Uniform Act as the exercise of powers not constituting participation in the control of the business so as to cause the Special Limited Partner (or the Investor Limited Partner) to be liable for Partnership obligations as a general partner.

M. If a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement, or involuntarily Retires, such removed or

Retired General Partner shall immediately deliver to the Special Limited Partner all books, records, tax and financial information relating to the Partnership and the Property that are in the possession or under the control of such General Partner or any of its Affiliates. Such General Partner agrees that if it fails to comply with the provisions of this Section 7.7M, the Limited Partners may enforce such provisions by specific performance, and no portion of the Withdrawal Purchase Price shall be payable unless the provisions of this Section are fully and promptly complied with.

N. If a General Partner fails to comply with any of its obligations under this Section 7.7 or contests the right of the Special Limited Partner to exercise the removal or other rights described in this Section 7.7 and the Special Limited Partner prevails in such contest, any costs and expenses incurred by the Limited Partners in enforcing their rights in this Section 7.7, including, without limitation, legal fees and expenses, shall be paid by such General Partner upon presentation of an itemized statement describing the same, which costs shall be deemed to be Adverse Consequences for purposes of this Section.

O. In the event that the Special Limited Partner sends a Removal Notice, the Special Limited Partner may elect to become, or designate another Person to become, the General Partner with all the rights and privileges of a General Partner as of the effective date of such removal, at which time the Special Limited Partner or its designee shall automatically become and shall be deemed a General Partner. Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the designation of the Special Limited Partner (or its designee). The Special Limited Partner shall be entitled to receive reasonable compensation for serving as a General Partner under this Section, and any such compensation shall be a reduction of the Withdrawal Purchase Price.

ARTICLE VIII

TRANSFER OF LIMITED PARTNER INTERESTS

Section 8.1 Right to Assign

A. Each Limited Partner shall have the right to assign all or any portion of its Interest and to substitute its assignee in its place as a Substitute Limited Partner without the consent of the General Partner.

B. The General Partner, at the sole expense of the Limited Partner making an assignment pursuant to this Article VIII, shall cooperate in good faith to effect such assignment as expeditiously as possible, including without limitation the execution of appropriate amendments to, or updates of, the Related Documents and/or any other documents which such assigning Limited Partner reasonably determines necessary or appropriate to accomplish such assignment, including, but not limited to, any amendments, updated opinion of Partnership Counsel, authorizing resolutions of the General Partner and Developer and any other documents reasonably deemed necessary and appropriate by the Investor Limited Partner. In addition, in the event of a transfer of any interest in the Investor Limited Partner, the General Partner agrees to

make such changes to this Agreement and the Related Documents as the Investor Limited Partner may reasonably request. Notwithstanding the foregoing, the General Partner shall only be obligated under this Section 8.1B as long as such amendments or updates do not increase the obligations or liability of the General Partner.

C. The assignor shall assume any costs incurred by the Partnership in connection with an assignment of its Interest.

Section 8.2 Substitute Limited Partners

Each Limited Partner shall have the right to substitute an assignee as a Limited Partner in its place, subject to any Requisite Approvals.

Section 8.3 Assignees

A. Any permitted assignee of a Limited Partner which does not become a Substitute Limited Partner shall have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled.

B. Any Limited Partner who makes an assignment pursuant to this Article VIII shall continue to be a Limited Partner and shall continue to have the rights and obligations of a Limited Partner under the Agreement and the Uniform Act, including the obligation to make the Capital Contributions attributable to the Interest in question, if any portion thereof remains unpaid.

C. There shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making each assignment; such instrument must evidence the written acceptance of the assignee to this Agreement and the Project Documents. If such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose.

D. In the case of any assignment of a Limited Partner's Interest as a Limited Partner, where the assignee does not become a Substitute Limited Partner, the Partnership shall recognize the assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation.

E. An assignee of a Limited Partner's Interest who does not become a Substitute Limited Partner and who desires to make a further assignment of its Interest shall also be subject to the provisions of this Article VIII.

ARTICLE IX

LOANS; MORTGAGE REFINANCING; PROPERTY DISPOSITION

Section 9.1 General

A. The Partnership shall be authorized to obtain the Mortgage Loans approved by the Investor Limited Partner at Investment Closing to finance the acquisition, development and

construction of the Project and shall secure the same by the Mortgages. The Mortgage Loan Documents shall provide that no Partner or Related Person shall bear the Economic Risk of Loss for all or any part of such Mortgage Loans following Final Closing (excluding non-recourse carve-outs in the Mortgage Loan Documents related to situations involving fraud, willful misrepresentation, misappropriation of funds and other similar exceptions that are standard in transactions of this type that are solely enforceable against the Partnership and the General Partner). Subject to the provisions of Section 6.1 and the other limitations set forth in this Agreement, the General Partner is specifically authorized, for and on behalf of the Partnership, to execute the Mortgage Loan Documents and such other documents as it deems necessary or appropriate in connection therewith. All Mortgage Loan Documents not approved by the Investor Limited Partner as of Investment Closing shall be submitted to and approved by the Investor Limited Partner prior to execution and delivery thereof, and copies of the dated and signed Mortgage Loan Documents shall be provided to the Investor Limited Partner within fourteen (14) days of execution.

B. The General Partner shall not have any authority to increase the principal amount of the Tax-Exempt Loan in excess of \$13,084,000 without the Consent of the Special Limited Partner. The Special Limited Partner shall approve an increase in the principal amount of the Tax-Exempt Loan of up to \$13,500,000 but only if and to the extent it determines in its sole and absolute discretion that the annual Debt Service Coverage Ratio will equal or exceed 115% throughout the Compliance Period. The additional proceeds of the Tax-Exempt Loan shall constitute Designated Proceeds if received prior to payment of the Fifth Installment and shall be used in accordance with the provisions of this Agreement. Thereafter, any additional Tax-Exempt Loan proceeds shall be distributed as Cash Flow pursuant to the provisions of Section 10.1A. If the Partnership has failed to achieve the Stabilization Date within 24 months from the Completion Date, the Investor Limited Partner may elect, in its sole discretion, to require a portion of such Fourth Installment and/or Fifth Installment to be used to make an additional deposit to the Operating Reserve in an amount that, if such amount were applied to pay down the Tax-Exempt Loan, would be sufficient to enable the Partnership to achieve and maintain a Debt Service Coverage Ratio of 115% throughout the Compliance Period, which deposit shall be taken into account in determining whether the Stabilization Date has occurred (e.g. assuming the Tax-Exempt Loan has been paid down by the additional amount so deposited in the Operating Reserve).

C. All Partnership borrowings shall be subject to the provisions of Section 6.1, Article IX and any other limitations set forth in this Agreement, the Project Documents, and applicable Regulations. The Partnership may accept Development Advances, Special Capital Contributions and Operating Expense Loans made by the General Partner in accordance with the provisions of Section 4.1B, Section 6.7 and Section 6.8. Any other loan or advance made by a Partner or its Affiliates (a “Voluntary Loan”) shall be unsecured, shall bear interest at a rate equal to the Designated Prime Rate per annum, and shall be repayable only as provided in Article X. Voluntary Loans must be made solely for the benefit of the Partnership, and no Voluntary Loans may be made by the General Partner or its Affiliates in substitution of the General Partner’s obligation to make Development Advances, Special Capital Contributions, and Operating Expense Loans. In addition, no Voluntary Loan may be made by a Partner or Related Person if it is likely to reduce the amount of Tax Credits that would otherwise be allocable to the Investor Limited Partner under this Agreement during the Compliance Period.

D. At any time that a partner or member of the Investor Limited Partner (such partner or member being referred to herein as a “Mortgagee Limited Partner”) makes, guarantees, owns, acquires, or otherwise credit enhances, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Property owned by the Partnership (any such loan being referred to as a “Related Mortgage Loan”), such Mortgagee Limited Partner will not be deemed to have acted on behalf of or as agent to or as the alter ego of the Investor Limited Partner. A Mortgagee Limited Partner may take any actions that the Mortgagee Limited Partner, in its discretion, determines to be advisable in connection with its Related Mortgage Loan (including in connection with the enforcement of its Related Mortgage Loan). By execution of this Agreement, each Partner agrees, to the extent permitted by applicable law, that no Mortgagee Limited Partner owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee Limited Partner being a partner or member in the Investor Limited Partner. Neither the Partnership nor any Partner will make any claim against a Mortgagee Limited Partner, or against the Investor Limited Partner in which the Mortgagee Limited Partner is a partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Mortgagee Limited Partner’s status as a limited partner or member of the Investor Limited Partner. Notwithstanding any provision to the contrary in this Section 9.1D, the General Partner shall not obtain or consent to any Related Mortgage Loan unless (i) they have obtained the prior Consent of the Investor Limited Partner and (ii) they have determined, based on the financial projections prepared at the time of requesting such Consent and the advice of Investor Tax Counsel, that the Related Mortgage Loan will not result in any reallocation of Tax Credits or other tax benefits among the Partners.

Section 9.2 Refinancing and Sale

A. The Partnership may not increase the amount of or otherwise materially modify any Mortgage Loan, obtain any new Mortgage Loan, or refinance any Mortgage Loan without the Consent of the Investor Limited Partner. Without limiting the generality of the foregoing, the Consent of the Investor Limited Partner shall be required for any voluntary redemption of the Tax-Exempt Note prior to the later of the Completion Date and achievement of Fifty Percent Test Qualification. Notwithstanding the foregoing, the Consent of the Investor Limited Partner will not be unreasonably withheld, conditioned or delayed for a refinancing of the Tax-Exempt Loan within six (6) months of its scheduled maturity date by a new Mortgage Loan that does not exceed the outstanding principal balance of the Tax-Exempt Loan plus the costs and expenses of such refinancing if and on the condition that the General Partner demonstrates to the satisfaction of the Investor Limited Partner each of the following: (a) the Debt Service Coverage Ratio following such refinancing will be no less than 115% calculated based upon net operating income from the audited financial statements for the most recent Fiscal Year and the maximum debt service under all Mortgage Loans encumbering the Project (excluding any Mortgage Loans payable only from and to the extent of available Cash Flow) following such refinancing on a pro forma basis, (b) the Lender has determined that the new Mortgage Loan will have a loan-to-value ratio of no more than 90%, (c) the new Mortgage Loan will have a term that does not exceed 40 years, (d) the new Mortgage Loan will have a fixed rate of interest (or an interest rate cap or swap arrangement is purchased on terms acceptable to the Investor Limited Partner), (e) amortization of principal and interest on the new Mortgage Loan will be based on a schedule of not less than 20 years or more than 40 years, (e) the new Mortgage Loan will be made by a bank,

insurance company or other institutional lender which is not the General Partner or an Affiliate, (f) the new Mortgage Loan will not contain any so-called “equity participation” features and will otherwise be on commercially reasonable terms, (g) the new Mortgage Loan will not result in any prepayment or yield maintenance penalties unless an Equalization Payment (as such term is defined below) is paid to the Investor Limited Partner at the time of its exit from the Partnership, and (h) all other expenses associated with such refinancing will be paid from the proceeds of such refinancing. For purposes of subclause (g) above, “Equalization Payment” means an amount equal to 10% of the penalties associated with any prepayment of the new loan as of the date on which either the Investor Limited Partner transfers its Interest in the Partnership or the Partnership otherwise sells the Project pursuant to the Purchase Option Agreement or the provisions of Section 6.4J but in no event in excess of 10% of any prepayment or yield maintenance penalties that would have been payable by the Partnership under the original loan documents at such time had such Mortgage Loan not been refinanced by the new Mortgage Loan.

B. The Partnership may not sell, lease, convey, exchange or otherwise transfer or convey any assets of the Partnership without the Consent of the Investor Limited Partner (including any conveyance of Partnership assets for mortgage or security purposes). Notwithstanding the foregoing, no such Consent shall be required for the leasing of dwelling units in the normal course of business of the Partnership provided that all of the Low Income Units are leased to Qualified Tenants and the Project qualifies as a “qualified low-income housing project” under Section 42(g)(1) of the Code at all times throughout the Compliance Period.

Section 9.3 Disposition Services

A. In the event that a sale of the Project is contemplated at any time to an unaffiliated third party, whether pursuant to a specific provision of the Partnership Agreement or otherwise, the General Partner shall provide the following services to the Partnership:

(i) if a buyer has not been identified, assist in locating a suitable buyer with the financial resources to consummate the proposed purchase and sale transaction;

(ii) negotiate the terms and conditions of the proposed sale including, without limitation, the purchase price, any deferred payment provisions (including any security therefor), and any conditions to closing;

(iii) advise the Partnership with respect to certain compliance matters under the applicable provisions of Section 42 of the Code including, without limitation, Section 42(i)(7), Section 42(h)(5), and Section 42(j);

(iv) advise the Partnership as to the necessity, availability and cost of any recapture bonds;

(v) assist the Partnership in obtaining all Requisite Approvals or other necessary consents to the proposed sale of the Project;

(vi) advise the Limited Partners of the terms and conditions of any proposed sale (including the status of negotiations relating thereto) and solicit the prior written consent of the Limited Partners to any such purchase and sale transaction;

(vii) coordinate with Partnership Counsel in reviewing draft conveyance documents including, without limitation, any purchase and sale agreement, deed, assignments, settlement statements, purchase money notes and mortgages and other similar documents or instruments to be executed and delivered in connection with the sale of the Project (the “Conveyance Documents”);

(viii) deliver to the Limited Partners draft unexecuted Conveyance Documents reasonably acceptable to the Limited Partners;

(ix) assist in calculating the income tax consequences of any such sale including, without limitation, the review of any projections prepared by the Accountants and coordination with the Partnership’s other tax advisors, if any; and

(x) assist in developing an effective program for notifying tenants, vendors and others of such sale in a manner designed to minimize any costs or disruptions.

B. In consideration of the services to be performed by the General Partner as outlined in Section 9.3A above, the Partnership shall pay to the General Partner a fee (the “Disposition Fee”) equal to five percent (5.00%) of the gross sales price of the Project (or such lesser amount that does not exceed that which is reasonable, customary and competitive with those paid in similar transactions at the same time and in the same geographic area of the Property) less the amount of any third-party broker fees incurred in connection with the sale.

ARTICLE X

PROFITS, LOSSES AND DISTRIBUTIONS

Section 10.1 Distributions Prior to Dissolution

A. *Distribution of Cash Flow.* Subject to Requisite Approvals and the Regulatory Agreements, (i) net rental income generated through the Stabilization Date shall be used to pay the Cumulative Priority Distribution to the Investor Limited Partner and the excess shall be includable in Designated Proceeds and applied to pay Development Costs (including the Development Fee), *provided, however,* that any balance remaining after payment in full of all Development Costs (including the Development Fee) shall be distributed as Cash Flow in accordance with the priorities set forth below, and (ii) after the Stabilization Date, Cash Flow for each Fiscal Year (or fractional portion thereof) shall be distributed, within ninety (90) days after the end of each Fiscal Year, in the following order of priority:

First, to the Investor Limited Partner in an amount equal to the Cumulative Priority Distribution (including any accrued but unpaid Cumulative Priority Distribution from prior Fiscal Years);

Second, to the Investor Limited Partner in an amount equal to any theretofore unpaid Tax Credit Shortfall Payments;

Third, to restore any reduction in the Operating Reserve caused by a decrease in value of any Permitted Investments, and then to replenishment of funds previously withdrawn from the Operating Reserve until the amount of such funds replenished pursuant to this Clause Third (including the cumulative amount of any funds replenished in any prior Fiscal Year) equals \$750,846 in the aggregate;

Fourth, to payment of the Deferred Development Fee Note;

Fifth, 75% of the balance remaining after Clause Fourth above to payment of interest-only on the Bank Catalyst Loan;

Sixth, to payment of any outstanding Operating Expense Loans;

Seventh, to payment of any outstanding Voluntary Loans;

Eighth, (a) prior to Energy Property Recapture Period, any proceeds remaining after Clause Seventh above shall be distributed 99.99% to the Investor Limited Partner and 0.01% to the General Partner and (b) from and after the Energy Property Recapture Period, (x) 10% of the proceeds remaining after Clause Seventh above shall be distributed to the Investor Limited Partner and, then, (y) the balance of such proceeds shall be applied to pay the Supervisory Management Fee and, then (z) the balance of any proceeds remaining, if any, after payment of the Supervisory Management Fee shall be distributed to the General Partner.

B. Distributions of Capital Transaction Proceed

Prior to dissolution, if the General Partner shall determine that there are proceeds available for distribution from a Capital Transaction, such proceeds shall be applied and distributed as follows:

First, to discharge, to the extent required by any lender or creditor, the debts and obligations of the Partnership (other than items listed in the ensuing clauses of this Section 10.1B);

Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner (other than items listed in the ensuing clauses of this Section 10.1B), which reserve(s) shall be subject to provisions substantially similar to those set forth in Section 6.11B;

Third, to the Investor Limited Partner in an amount equal to 110% of any theretofore unpaid Tax Credit Shortfall Payments;

Fourth, to payment of any outstanding Operating Expense Loans;

Fifth, to payment of the Deferred Development Fee Note;

Sixth, to the Limited Partners in an amount equal to all federal, state, and local taxes including, without limitation, income taxes projected to be incurred by such Limited Partners (and their constituent partners or members) in connection with such Capital Transaction but excluding any taxes incurred as a result of the Investor Limited Partner having made an election to restore a deficit balance in its Capital Account up to a Designated Amount pursuant to the provisions of Section 10.2;

Seventh, to payment of any accrued but unpaid Cumulative Priority Distribution then due to the Investor Limited Partner;

Eighth, to payment of the Disposition Fee to the General Partner;

Ninth, the balance of such proceeds shall be distributed (a) for any Fiscal Year ending prior to the expiration of the Energy Property Recapture Period, 99.99% to the Investor Limited Partner and 0.01% to the General Partner, and (b) for any Fiscal Year beginning on or after the Energy Property Recapture Period, the balance of such proceeds, if any, shall be distributed 10% to the Investor Limited Partner and 90% to the General Partner.

C. Sharing of Distributions

All distributions to the respective classes of the Partners shall be shared by the members of such classes in accordance with the percentages set forth opposite their respective names on the Schedule, except as otherwise provided in this Agreement.

Section 10.2 Distributions Upon Dissolution

A. Upon dissolution and termination occurring as a result of the sale of the Project, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership shall be distributed to the Partners in accordance with the positive balances in their Capital Accounts after taking into account all Capital Account adjustments for the Partnership taxable year, including adjustments to Capital Accounts pursuant to Sections 10.2B and 10.3B. Liquidation distributions shall be made by the end of the taxable year in which the liquidation occurs or, if later, within ninety (90) days after the date of liquidation. In the event that a General Partner or Investor Limited Partner has a negative balance in its Capital Account following the liquidation of the Partnership or its Interest after taking into account all Capital Account adjustments for the Partnership taxable year in which the liquidation occurs, such Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Such payment shall be made by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation) and shall, upon

liquidation of the Partnership, be paid to recourse creditors of the Partnership or distributed to other Partners in accordance with the positive balances in their Capital Accounts. Notwithstanding the foregoing, the obligation of any Partner to contribute such deficit shall be zero unless and until it shall notify the Partnership in writing of its election to have a different amount (the “Designated Amount”) apply, which Designated Amount may be increased or reduced (subject to the provisions of the following sentence) by similar written notice from such Partner at any subsequent date. No such notice shall be effective with respect to any Fiscal Year unless the same shall be given prior to the end of such Fiscal Year. No subsequent reduction to the Designated Amount shall reduce the same below the electing Partner’s deficit balance in its Capital Account (as such Capital Account is increased by the electing Partner’s share of Partnership Minimum Gain) at the end of the Partnership’s immediately preceding tax year. The Investor Limited Partner agrees that it will not elect to increase its Designated Amount (if any) with respect to any tax year following the last year in which Tax Credits are allowed to the Partnership.

B. With respect to assets distributed in kind to the Partners in liquidation or otherwise, (i) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be profits and losses realized by the Partnership immediately prior to the liquidation or other distribution event; and (ii) such profits and losses shall be allocated to the Partners in accordance with Section 10.3B, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of such fair market value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered. For the purposes of this Section 10.2B, “unrealized appreciation” or “unrealized depreciation” shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing (but subject to Section 7701(g) of the Code), and the Partnership’s adjusted basis for such assets as determined under Section 1.704-1(b). This Section 10.2B is merely intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distribution event, and nothing contained in this Section 10.2B or elsewhere herein is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the General Partner with the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed).

Section 10.3 Profits, Losses and Tax Credits

A. Except as otherwise specifically provided in this Article X, for each Fiscal Year or portion thereof, profits, tax-exempt income, losses and non-deductible, non-capitalizable expenditures and Tax Credits incurred and/or accrued by the Partnership, shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

B. Except as otherwise specifically provided in Section 10.4 or elsewhere in this Article X, all profits and losses arising from a Capital Transaction shall be allocated to the Partners as follows:

As to profits:

First, an amount of profit equal to the aggregate negative balances (if any)

in the Capital Accounts of all Partners having negative balance Capital Accounts shall be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts shall have zero balances; and

Second, an amount of profit shall be allocated to each of the Partners until the positive balance in the Capital Account of each Partner equals, as nearly as possible, the amount of cash which would be distributed to such Partner if the aggregate amount in the Capital Accounts of all Partners were cash available to be distributed in accordance with the provisions of Clauses Sixth, Seventh, and Ninth of Section 10.1B.

As to losses:

First, an amount of losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Partners having positive balance Capital Accounts shall be allocated to such Partners in proportion to their positive Capital Account balances until all such Capital Accounts shall have zero balances; provided, however, that if the amount of losses so to be allocated is less than the sum of the positive balances in the Capital Accounts of those Partners having positive balances in their Capital Accounts, then such losses shall be allocated to the Partners in such proportions and in such amounts so that the Capital Account balances of each Partner shall equal, as nearly as possible, the amount such Partner would receive if an amount equal to the excess of (a) the sum of all Partners' balances in their Capital Accounts computed prior to the allocation of losses under this clause First over (b) the aggregate amount of losses to be allocated to the Partners pursuant to this clause First were distributed to the Partners in accordance with the provisions of Clauses Sixth, Seventh, and Ninth of Section 10.1B; and

Second, the balance, if any, of such losses shall be allocated 0.01% to the General Partner and 99.99% to the Investor Limited Partner.

C. If the Partnership (i) incurs recourse obligations (including, without limitation, accounts payable and deferred fees that in the reasonable judgment of the Special Limited Partner are not expected to be paid in the ordinary course of business) or Partner Nonrecourse Debt (including without limitation Operating Expense Loans), (ii) accepts Special Capital Contributions pursuant to Section 6.8 or other Capital Contributions from the General Partner that are required or permitted by the terms of this Agreement, all or a portion of the proceeds of which (in any such case) are applied to the payment of Operating Expenses or other items that are deductible for federal income tax purposes or (iii) incurs losses from extraordinary events which are not recovered from insurance or other sources (the items referred to in clauses (i), (ii) and (iii) being hereinafter referred to collectively as the "Section 10.3C Items") in respect of any Partnership taxable year, then the calculation and allocation of profits and losses shall be adjusted as follows: first, an amount of deductions (consisting of Operating Expenses and not cost recovery deductions) attributable to the Section 10.3C Items shall be allocated to the General Partner; and second, the balance of such deductions shall be allocated as provided in Section 10.3A. For purposes of determining the deductions that are attributable to the Section

10.3C Items, Cash Receipts shall be deemed to have been applied first to Debt Service Requirements and the funding of Partnership reserves and then to Operating Expenses other than Debt Service Requirements and the funding of Partnership reserves. The term “extraordinary events,” as used in this Section 10.3C, includes casualty losses, losses resulting from liability to third parties for tortious injury, losses resulting from a breach of a legal duty by the Partnership or by the General Partner, and deductions resulting from other liabilities of the Partnership that are not incurred in the ordinary course of business. Nothing in this Section 10.3C shall prevent the Partnership from recovering an extraordinary loss from a General Partner who is liable therefore by law or under the terms of this Agreement.

D. If any Section 10.3C Items shall be repaid from cash generated in respect of any Fiscal Year, then the allocation of profits and losses under Section 10.3A for such Fiscal Year shall be adjusted as follows: *first*, the General Partner shall be allocated an amount of the gross income of the Partnership equal to the lesser of (i) the amount of items of loss or expense previously allocated to the General Partner under Section 10.3C and not previously offset by allocations of gross income under this Section 10.3D or items thereof and (ii) the amount of the Section 10.3C Items repaid in such year and *second*, all remaining gross income and all expenses shall be allocated as provided in Section 10.3A. Nothing in this Section 10.3D shall be construed to authorize the return of Special Capital Contributions. This section shall be applied in conjunction with Section 10.4B to avoid the double allocation of gain under such sections when Operating Expense Loans are repaid.

E. Notwithstanding the foregoing provisions of Sections 10.3.A and 10.3.B, in no event shall any losses be allocated to a Limited Partner if and to the extent that such allocation would cause, as of the end of the Partnership taxable year, the negative balance in such Limited Partner’s Capital Account to exceed such Limited Partner’s share of Partnership Minimum Gain plus such Limited Partner’s share of Partner Nonrecourse Debt Minimum Gain plus the amount, if any, of such Limited Partner’s Designated Amount (as specified in accordance with Section 10.2A). Any losses which are not allocated to the Limited Partners by virtue of the application of this Section 10.3E shall be allocated as required under Section 1.704-1(b) of the Allocation Regulations. For purposes of this Section 10.3E, a Partner’s Capital Account shall be treated as reduced by Qualified Income Offset Items.

F. The terms “profits” and “losses” used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with the accounting methods followed by the Partnership and computed in a manner consistent with Section 1.704-1(b)(2)(iv) of the Allocation Regulations. Profits and losses for federal income tax purposes shall be allocated in the same manner as profits and losses under Section 10.3 except as provided in Section 10.5B.

G. Federal Low Income Tax Credits shall be allocated among the Partners in the same manner as the deductions attributable to the expenditures creating the tax credit are allocated among the Partners in accordance with Section 1.704-1(b)(4)(ii) of the Allocation Regulations.

H. Federal Energy Tax Credits shall be allocated among the Partners in the same manner as profits are allocated among the Partners pursuant to Section 10.3A.

Section 10.4 Minimum Gain Chargebacks and Qualified Income Offset

A. If there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, each Partner will be allocated items of income and gain for such year (and, if necessary, subsequent years) in the proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during the year. A Partner is not subject to this Partnership Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Section 1.704-2(f) of the Allocation Regulations.

B. If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during a Partnership taxable year, then each Partner with a share of the minimum gain attributable to such debt at the beginning of such year will be allocated items of income and gain for such year (and, if necessary, subsequent years) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain during the year. A Partner is not subject to this Partner Nonrecourse Debt Minimum Gain chargeback to the extent that any of the exceptions provided in Section 1.704-2(i)(4) of the Allocation Regulations applied consistently with Section 1.704-2(f)(2)-(5) of the Allocation Regulations apply. Such allocations shall be made in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(i)(4) of the Allocation Regulations.

C. In the event that any Partner unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Allocation Regulations, items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Allocation Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This Section 10.4C is intended to constitute a "qualified income offset" provision within the meaning of the Allocation Regulations and shall be interpreted consistently therewith. For purposes of this Section 10.4C, a Partner's Capital Account shall be treated as reduced by Qualified Income Offset Items.

D. Subject to the provisions of Sections 10.4A through 10.4C above, in no event shall any Partner be allocated losses that would cause it to have an Adjusted Capital Account Deficit as of the end of any Partnership taxable year. Any losses that are not allocated to a Partner by reason of the application of the provisions of this Section 10.4D shall be allocated to the other Partners (to the extent otherwise permitted under the terms of this Section 10.4D).

E. Subject to the provisions of Sections 10.4A through 10.4D above, in the event that any Partner has an Adjusted Capital Account Deficit at the end of any Partnership taxable year, items of Partnership income and gain shall be specially allocated to each such Partner in the amount of such Adjusted Capital Account Deficit as quickly as possible.

Section 10.5 Special Provisions

A. Except as otherwise provided in this Agreement, all profits, losses, credits and distributions shared by the respective classes composed of the Special Limited Partner and the

General Partner shall be allocated among the members of such class in accordance with the percentages set forth opposite their respective names in the Schedule. Subject to the provisions of Section 13.8, the Investor Limited Partner and Special Limited Partner each shall be deemed to have been admitted to the Partnership as of the first day of the month during which its actual admission occurs for purposes of allocating profits and losses.

B. Income, gain, loss and deduction with respect to property which has a variation between its basis computed in accordance with Section 1.704-1(b) of the Allocation Regulations and its basis computed for federal income tax purposes shall be shared among the Partners for tax purposes so as to take account of such variation in a manner consistent with the principles of Section 704(c) of the Code and Sections 1.704-1(b)(2)(iv)(g) and 1.704-3 of the Allocation Regulations.

C. If the Partnership shall receive any purchase money indebtedness in partial payment of the purchase price of the Project and such indebtedness is distributed to the Partners pursuant to the provisions of Section 10.1B or Section 10.2, the distributions of the cash portion of such purchase price and the principal amount of such purchase money indebtedness hereunder shall be allocated among the Partners in the following manner: On the basis of the sum of the principal amount of the purchase money indebtedness and cash payments received on the sale (net of amounts required to pay Partnership obligations and fund reasonable reserves), there shall be calculated the percentage of the total net proceeds distributable to each class of Partners based on Section 10.1B or Section 10.2, as applicable, treating cash payments and purchase money indebtedness principal interchangeably for this purpose, and the respective classes shall receive such respective percentages of the net cash purchase price and purchase money principal. Payments on such purchase money indebtedness retained by the Partnership shall be distributed in accordance with the respective portions of principal allocated to the respective classes of Partners in accordance with the preceding sentence, and if any such purchase money indebtedness shall be sold, the sale proceeds shall be allocated in the same proportion.

D. In the event that any fee payable to any General Partner or any Affiliate shall instead be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to such General Partner an amount of gross income equal to the amount of such distribution. In addition, there shall be allocated to the General Partner an amount of gross income equal to the amount of any distribution to the General Partner under Clause *Ninth* of Section 10.1A.

E. Notwithstanding any provision to the contrary in this Article X, funds of the Partnership constituting Designated Proceeds shall be applied to pay Development Costs and the Development Fee in accordance with the provisions of this Agreement, the Development Agreement and the Project Documents.

F. In applying the provisions of this Article X with respect to distributions and allocations, the following ordering of priorities shall apply:

- (1) Capital Accounts shall be deemed to be reduced by Qualified Income Offset Items.

(2) Capital Accounts shall be reduced by distributions of Cash Flow under Section 10.1A.

(3) Capital Accounts shall be reduced by distributions from Capital Transactions under Section 10.1B.

(4) Capital Accounts shall be increased by any minimum gain chargeback under Section 10.4A or 10.4B.

(5) Capital Accounts shall be increased by any qualified income offset under Section 10.4C.

(6) Capital Accounts shall be increased by allocations of profits under Section 10.3A.

(7) Capital Accounts shall be reduced by allocations of losses under Section 10.3A.

(8) Capital Accounts shall be reduced by allocations of losses under Section 10.3B.

(9) Capital Accounts shall be increased by allocations of profits under Section 10.3B.

G. For purposes of determining each Partner's proportionate share of excess Partnership Nonrecourse Liabilities pursuant to Treasury Regulation Section 1.752-3(a)(3), the Investor Limited Partner shall be deemed to have a 99.99% interest in profits of the Partnership and the General Partner shall be deemed to have a 0.01% interest in profits of the Partnership.

H. To the maximum extent permitted under the Code, allocations of profits and losses shall be modified so that the Partners' Capital Accounts reflect the amount they would have reflected if adjustments required by Section 10.4 had not occurred. Furthermore, if for any Fiscal Year the application of the provisions of Section 10.4 would cause a distortion in the economic sharing arrangement among the Partners and it is not expected that the Partnership will have sufficient other income to correct that distortion, the General Partner may request a waiver from the Service of the application in whole or in part of Section 10.4 in accordance with Section 1.704-2(f)(4) of the Allocation Regulations. Notwithstanding any provision to the contrary in this Section 10.5H, depreciation deductions shall in all events be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

I. To the extent that interest on obligations to any General Partner or its Affiliates is determined to be deductible by the Partnership in excess of the stated amount of interest payable thereunder, the corresponding additional interest deduction shall be allocated solely to such General Partner.

J. Following the Energy Property Recapture Period, any taxable income of the Partnership resulting from its receipt of donations, contributions, grants or subsidies (whether in

the form of property, cash, or forgivable debt), but specifically excluding the rental assistance under the HAP Contract, shall be specially allocated to the General Partner.

K. Partnership Nonrecourse Deductions for any Partnership taxable year shall be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partner.

L. Any Partner Nonrecourse Deductions for any Partnership taxable year shall be specially allocated to the Partner or Partners that bear the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(b)(4) and 1.704-2(i) of the Allocation Regulations.

M. The Partnership and its Partners shall be permitted to disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

Section 10.6 Excess Distributions and Allocations; Seller Related Entities

The Partners intend that the total of all amounts paid or distributed to the Prior Owner, the Seller or any other Person or Entity which is a “related person” to the Prior Owner or the Seller within the meaning of Section 42(d)(2)(D)(iii) of the Code (each, a “Seller Related Entity” and collectively, the “Seller Related Entities”), whether as fees or distributions, and whether paid directly by the Partnership to the Seller Related Entities or by the Partnership to the General Partner and then distributed or paid by the General Partner to any Seller Related Entity, shall not exceed fifty percent (50%) of the total amount available to be paid or distributed by the Partnership. Any payment or distribution in excess of the 50% limitation set forth in this Section 10.6 shall be deemed to be a loan from the Partnership repayable by the Seller Related Entity to the extent of such excess within thirty (30) calendar days. Moreover, subject to the provisions of the Allocation Regulations, the Partners intend that all allocations of income, gain, loss, deduction, credit and basis calculated for federal income tax purposes (“Federal Tax Items”) to the Seller Related Entities shall not, in the aggregate, exceed fifty percent (50%) of the total amount of all such Federal Tax Items. In furtherance of the foregoing, no amendment or modification may be made to the allocation, distribution and transfer provisions set forth in the operating agreement of the General Partner without the Consent of the Investor Limited Partner which will be withheld only in the event that such amendment or modification would cause a violation of the preceding provisions of this Section 10.6.

ARTICLE XI

MANAGEMENT AGENT

Section 11.1 Management Agent

A. The General Partner shall have responsibility for obtaining a Management Agent reasonably acceptable to the Investor Limited Partner and each Lender and Governmental Agency to manage the Project in accordance with the requirements of each Lender and Governmental Agency. The General Partner shall cause the Partnership to enter into the

Management Agreement with the Management Agent, which may be an Affiliate of a General Partner. The initial Management Agent shall be SHP Management Corp., a Maine corporation, which entity is not an Affiliate of the General Partner. The Management Agent may not be removed or replaced without the Consent of the Special Limited Partner (not to be unreasonably withheld or delayed), and none of the services to be performed by the Management Agent under the Management Agreement may be assigned or subcontracted to third parties without the Consent of the Special Limited Partner. Subject to the Regulations, the Management Agent shall be entitled to receive a reasonable and competitive Management Fee (determined by reference to arm's-length property management arrangements for comparable properties in force in the general locality of the Project) not to exceed the lesser of 3.12% of effective gross income or the maximum amount permitted by any relevant Governmental Agency or Lender. If at any time the Management Agent is an Affiliate of the General Partner and revenues from operation of the Project are insufficient to pay Operating Expenses, payment of the Management Fee will be deferred to the extent necessary to pay currently all Operating Expenses of the Project (the "Deferred Property Management Fee"). Any portion of the Management Fee that has been deferred in accordance with the preceding sentence shall accrue without interest and shall be repaid from available Cash Flow or the proceeds of a Capital Transaction in accordance with Article X.

B. If at any time after the Completion Date:

(i) the Project shall be subject to any substantial building code violation which shall not have been cured within ninety (90) days after notice from the applicable Governmental Agency or department or unless such violation is being validly contested by the General Partner by proceedings which operate to prevent any fines or criminal penalties from being levied against the Partnership or unless, in the case of any such violation not susceptible of cure within such ninety (90)-day period, the General Partner is diligently making reasonable efforts to cure the same,

(ii) operating revenues of the Project in respect of any period of twenty-four (24) consecutive calendar months after the Completion Date shall be insufficient to permit the Partnership to pay when due on a current basis all Partnership obligations in respect of such twenty-four (24)-month period,

(iii) the Project ceases to qualify as a "qualified low-income housing project" under Section 42(g) of the Code or any Low Income Unit in the Project ceases to qualify as a "low income unit" under Section 42(i)(3) of the Code,

(iv) a Recapture Event shall have occurred,

(v) the Management Agent or its agents or employees shall fail to perform their duties with the standard of care expected of a residential property manager with special skills in managing properties eligible for Tax Credits or shall have demonstrated malfeasance in the management of the Project, or

(vi) the Special Limited Partner has elected to remove a General

Partner that is an Affiliate of the Management Agent pursuant to the provisions of Section 7.7, or

(vii) if applicable, a Management Agent that is a Designated Affiliate of the General Partner fails to subordinate payment of its Management Fee in accordance with the provisions of Section 11.1A,

then the General Partner shall forthwith give to the Special Limited Partner notice of such event (a “Management Default Notice”), and thereafter the Partnership shall, subject to any Requisite Approvals, forthwith terminate its management agreement with the Management Agent, unless the approval of the Special Limited Partner is obtained to the retention of the Management Agent. Upon any termination, the General Partner shall immediately proceed to select a qualified Person as the new Management Agent (which, in the event the terminated Management Agent was an Affiliate of a General Partner, shall be unaffiliated with any General Partner) as the new Management Agent for the Property, which selection shall be subject to the Consent of the Investor Limited Partner (not to be unreasonably withheld or delayed) and any Requisite Approvals; and, after such selection, no Management Fee shall be payable to any Person which is an Affiliate of a General Partner unless the management contract with any such Person shall provide for the right of the Partnership to terminate the same upon the occurrence of any circumstance described in this Article XI.

Section 11.2 Special Power of Attorney

If an event described in clauses (i) through (vii) of Section 11.1B above occurs and the General Partner fails to send a Management Default Notice to the Special Limited Partner within the ten (10) days of the date the General Partner became aware of such event, the Special Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to take such action, and to execute and deliver such documents on behalf of the Partners and the Partnership, as shall be legally necessary and sufficient to effect the provisions of this Article XI.

Section 11.3 Books and Records Maintained By Management Agent

Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine all books, records and other information concerning the Partnership and the Project maintained by the Management Agent at reasonable times upon reasonable notice.

Section 11.4 Incorporation into Present and Future Management Agreements

By its execution hereof, the Management Agent agrees that the provisions of this Article XI which restrict the assignment or subcontracting of the Management Agent’s duties and obligations under the Management Agreement, limit the amount of the Management Fee, provide for subordination of the Management Fee to the Operating Expenses of the Property at any time the Management Agent is an affiliate of the General Partner, and provide for the termination of the Management Agent under the circumstances herein described are hereby incorporated into any present or future Management Agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions). In the event of any conflict between the provisions of this Article XI and any present or future Management Agreement, the provisions of

this Article XI shall control.

ARTICLE XII

BOOKS AND REPORTING, ACCOUNTING, TAX ELECTION, ETC

Section 12.1 Books, Records and Reporting

A. The General Partner shall keep or cause to be kept a complete and accurate set of books and supporting documentation with respect to the Partnership's business. The books of the Partnership shall be kept on the accrual basis. The books and records of the Partnership (including all records required to be maintained under the Uniform Act) shall at all times be maintained at the principal office of the Partnership. Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine the books of the Partnership and all other records and information concerning the Partnership and the Project at reasonable times. The books and records of the Partnership shall include, without limitation, copies of the following: (i) the Partnership's federal, state and local income tax or information returns and reports, if any, and all related back-up documentation for seven (7) years from the date of production, (ii) financial statements of the Partnership for seven (7) years from the date of production, and (iii) copies of the dated and signed Mortgage Loan Documents with all exhibits attached.

B. The books of the Partnership shall be examined by the Accountants in accordance with generally accepted auditing standards annually as of the end of each Fiscal Year of the Partnership. The General Partner shall prepare a balance sheet as of the end of each such year and statements of income, partners' equity and cash flows for such year. Said balance sheet and statements shall be accompanied by the opinion of the Accountants that said balance sheet and statements have been prepared in accordance with generally accepted accounting principles applied consistently with prior periods identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements. As a note to such financial statements, the General Partner shall prepare a schedule of all loans to the Partnership (to be reviewed by the Accountants), setting forth the purpose of such loan and section(s) of this Agreement or the Development Agreement under which such loan was obtained. Such schedule shall demonstrate that loans have been made, used, carried on the books of the Partnership (and repaid, if applicable) in accordance with the provisions of this Agreement and the Development Agreement. In addition, after the first year in which the Accountants examine the financial statements of the Partnership after completion of the Project, the depreciation schedule for that year and all future years, along with the depreciation worksheet, shall be prepared by the General Partner, reviewed by the Accountants and furnished to the Investor Limited Partner. The General Partner shall, promptly upon receipt of such balance sheet, adjusted trial balance and statements and in any event within sixty (60) days after the end of each Fiscal Year, transmit to the Investor Limited Partner a copy thereof. The Accountants shall also review and sign the federal and state income tax returns of the Partnership. In connection with the preparation of such tax returns, the General Partner shall seek and obtain the advice of the Special Limited Partner with respect to material allocations of assets for cost recovery purposes. The General Partner shall complete the books of the Partnership in such time as will allow the Accountants to complete such tax returns and forward

a copy in draft form, together with the Tax Basis Schedule K-1, Tax Basis Trial Balance, Tax Basis Fixed Asset and Depreciation Schedule, and Minimum Gain Schedule (if applicable), to the Investor Limited Partner for its approval within forty-five (45) days after the end of such Fiscal Year. Upon written or electronic notification of Investor Limited Partner approval, the General Partner shall cause such tax returns to be filed within such time period. If the General Partner shall fail to (i) complete such tax returns and to transmit a copy to the Investor Limited Partner within such time period, (ii) transmit the annual balance sheet and financial statements to the Investor Limited Partner within the time period set forth above, (iii) deliver any of the information required by Section 12.1E within twenty (20) days after the end of any applicable quarter of the Partnership's Fiscal Year, (iv) to notify the Investor Limited Partner of the occurrence of a Disqualifying Event as required by Section 12.1F within five (5) business days of such occurrence, or (v) deliver a copy of the completed and executed IRS Forms 8609, both Parts I and II, to the Investor Limited Partner as required by Section 12.1F within twenty (20) days of filing the Partnership's federal income tax return for the first year of the Credit Period for each Building in the Project, the General Partner shall pay to the Investor Limited Partner as damages the sum of \$300 per day (plus interest at the Designated Prime Rate plus 3.00% per annum) in the case of any delayed tax returns and \$150 per day (plus interest at the Designated Prime Rate plus 3.00% per annum) in the case of any other delayed reports and information required hereby, until received by the Investor Limited Partner. Such damages shall be paid forthwith by the General Partner and failure to so pay shall constitute a default of the General Partner under Section 6.3C. In addition, if the General Partner fails to so pay, the Investor Limited Partner may deduct any unpaid damages from any portion of its Capital Contribution not yet paid, or if such Capital Contribution has been fully paid then the General Partner and its Affiliates shall forthwith cease to be entitled to any Cash Flow or to the payment of any fees which are payable from Cash Flow as provided in Section 10.1A ("Cash Flow Fees"). Such payments of Cash Flow and Cash Flow Fees shall only be restored upon the payment of such damages in full and any amount of such damages not so paid shall be deducted against payments of Cash Flow and Cash Flow Fees otherwise due to the General Partner or its Affiliates.

Such reports and estimates shall clearly indicate the methods under which they were prepared and shall be made at the expense of the Partnership.

C. If the General Partner fails to complete such tax returns on a timely basis, the Investor Limited Partner may select a firm of accountants who shall prepare such returns. The General Partner shall immediately furnish all necessary documentation and other information to prepare such tax returns to such accountants.

D. Every Limited Partner shall at all times have access to the records of the Partnership and may inspect and copy any of them. A list of the names and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request. A reasonable charge for copy work may be charged by the Partnership. Within a reasonable time following receipt of a written direction from the Investor Limited Partner, the General Partner shall furnish copies of information or reports required to be maintained or prepared pursuant to this Article XII to members or limited partners of the Investor Limited Partner. Any such direction shall specifically identify the information or reports requested and the name and address of each member or limited partner of the Investor Limited Partner to receive the same.

E. Within twenty (20) days following the end of each of the first three (3) quarters of each Fiscal Year (and, if and to the extent specifically requested in writing by the Investor Limited Partner, within twenty (20) days following the end of such Fiscal Year), the General Partner shall send to each Person who was a Limited Partner at any time during such quarter one or more reports (utilizing, to the extent applicable, forms provided by the Investor Limited Partner for such purposes from time to time) which, taken together, provide the following information (which need not be audited): (i) a balance sheet as at the end of such quarter; (ii) a statement of income for such quarter on the cash as well as accrual bases; (iii) a summary of the reserve deposits, withdrawals and balances for such quarter; and (iv) in the case of any report requested following the end of a Fiscal Year, a statement of cash available for distribution for such year. In addition to the foregoing, if requested by the Investor Limited Partner, the General Partner shall prepare a quarterly report describing each of the following: (a) any new agreement, contract or arrangement between the Partnership and a General Partner or an Affiliate of a General Partner, (b) the amount of all fees and other compensation and distributions and reimbursed expenses paid by the Partnership for the quarter to any General Partner or Affiliate of a General Partner, (c) the amount of all distributions of Cash Flow and Capital Transaction proceeds made to Partners during such fiscal quarter (if any), and (d) a report of the significant activities of the Partnership during the fiscal quarter including, without limitation, any material notice received by the Partnership or the General Partner. Each quarterly report shall also contain a certification by the General Partner that neither the Partnership nor any General Partner has received any notice or has been cited by or otherwise warned in writing of any “Violation” (as hereinafter defined) by any Governmental Agency, which Violation could have a materially adverse impact on any of them. For purposes of this certification, a Violation shall mean any act or omission complained of which, if uncured, would be in violation of (a) any applicable statute, code, ordinance, rule or regulation, (b) any agreement or instrument to which the Governmental Agency and the Partnership or a General Partner is a party or to which the Project is subject, (c) any license or permit, or (d) any judgment, decree or order of a court. Any exceptions to the foregoing shall be described in such certification. In addition, if requested by the Investor Limited Partner in writing, within a reasonable time after receipt of such a request, each General Partner shall send to the Investor Limited Partner such recent financial statements (including a balance sheet and statement of income) as shall have been so requested.

F. The General Partner shall provide the Investor Limited Partner with (i) a copy of each draw request for construction and development costs as such requests are made to the Lender; (ii) a copy of each inspection report, evaluation or similar report issued to the Partnership by any Governmental Agency or Lender (including without limitation any REAC inspection reports, if applicable) promptly upon receipt thereof; (iii) a copy of each low-income housing tax credit compliance report delivered to or prepared by the applicable tax credit monitoring agency or agencies with respect to the Project; (iv) a copy of any notice received from any Governmental Agency or Lender indicating any adverse findings with respect to the Partnership or the Project (including without limitation management review findings or allegations of violations of any Project Document), (v) prompt notice of any casualty or other significant adverse event relating to the Partnership (including any Disqualifying Event); (vi) evidence of insurance, (vii) at least annually, a schedule setting forth the adjustments necessary, if any, to state the income of the Partnership using the longer depreciable lives available under generally accepted accounting principles (rather than the depreciable lives used for federal income tax purposes), (viii) a copy of the completed and executed IRS Forms 8609, both Parts I

and II, within twenty (20) days of filing the Partnership's federal income tax return for the first year of the Credit Period for each Building in the Project and (ix) such other information as the Investor Limited Partner may specifically request from time to time with regard to the business or operations of the Partnership.

G. By the fifth (5th) day of each month prior to the Development Obligation Date, the General Partner shall provide the Investor Limited Partner with a brief written summary of the status of the construction, development, lease-up and operations of the Project during the prior month including the construction meeting minutes, change order logs and qualified occupancy reports indicating tenant move-in dates and other pertinent information related to qualification of units under Section 42 of the Code.

H. An annual pro forma operating budget for the succeeding calendar year shall be prepared by the General Partner and furnished to the Investor Limited Partner by November 30 of each year. In addition, the General Partner shall prepare and furnish to the Investor Limited Partner an estimate of the profits and losses of the Partnership for federal income tax purposes for the current Fiscal Year not later than September 30 of each year.

I. Within thirty (30) days following the close of the first year of the Credit Period with respect to each Building, the General Partner shall provide the Investor Limited Partner with a copy (in electronic form, if feasible) of all records establishing the qualification of tenants of such Building under Section 42 of the Code.

J. Upon request, the General Partner shall furnish to the Special Limited Partner within thirty (30) days of such request, the unaudited financial statements of the Guarantor for the most recent fiscal year end of the Guarantor, in form and detail acceptable to the Special Limited Partner, and other evidence reasonably satisfactory to the Special Limited Partner.

K. [reserved]

L. If the Partnership shall be subject to regulation by HUD and to the filing requirements of the HUD previous participation certification system, then the General Partner shall cause the Partnership and each of its Partners, the Builder, the Developer, the Management Agent and all other principals, to the extent required, to (i) promptly complete their respective registrations and baseline submissions via the internet through the HUD Active Partners Performance System and (ii) promptly submit previous participation certifications ("HUD-2530s") electronically.

M. The General Partners and/or its Affiliates shall (i) report any "reportable transactions" to the Service as required under Section 6111 of the Code ("Reportable Transactions"); (ii) disclose any Reportable Transactions as required by Treasury Regulations 1.6011-4; (iii) promptly report to the Partners any Reportable Transactions in which the Partnership engages; and (iv) maintain any list of investors in accordance with Section 6112 of the Code to the extent they are required to maintain such lists. The General Partner shall be responsible for any expenses or penalties, including penalties for understatement of income, solely attributable to the failure of the General Partner or its Affiliates to satisfy the Reportable Transactions requirements imposed on them.

N. The General Partner shall furnish to the Investor Limited Partner for its review and approval:

(i) the Cost Certification and the Energy Property Cost Certification prior to its submission to the Credit Agency;

(ii) completed and signed IRS Forms 8609 (Parts I and II) prior to submission to the Service;

(iii) documentation evidencing that fifty percent (50%) or more of the aggregate basis of each of the Buildings and the Land attributable thereto will be financed with 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

(iv) any proposed changes to the "Rent Schedule" under the HAP Contract but excluding, for this purposes, changes based solely on annual adjustments to HUD's fair market rents.

Section 12.2 Bank Accounts

Subject to any Requisite Approvals, the bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine and withdrawals shall be made only in the regular course of Partnership business on the signature of the General Partner. All deposits and other funds not needed in the operation of the business shall be deposited, to the extent permitted by the Lender and the Governmental Agency, in interest-bearing accounts or invested in Permitted Investments.

Section 12.3 Elections; Interest Deductions; Depreciation

A. The General Partner shall cause the Partnership to make an election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code (the "ERPTOB Election"). Such election shall be made in the manner prescribed by the Service applicable the first year in which the Partnership's interest deductions would otherwise be limited pursuant to the provisions of Section 163(j).

B. Unless the Consent of the Special Limited Partner is obtained permitting a different treatment, and except to the extent otherwise required by Section 168(g)(1)(B) of the Code, the Partnership shall elect to depreciate its residential rental property, site improvements and personal property costs, respectively, over 27.5 years (subject to the next sentence), 15 years and 5 years for federal income tax purposes and over 40 years, 20 years and ten 10 years (or over such other relevant useful lives as the Accountants shall deem appropriate) for financial accounting purposes. However, it is acknowledged and agreed that upon making the ERPTOB Election and for all subsequent taxable years of the Partnership, the Partnership will be required to depreciate its residential rental property over 30 years for federal income tax purposes.

C. The Partnership will not make an election under Section 168(k)(7) of the Code to opt-out of any bonus depreciation otherwise allowable with respect to its site work, personal property improvements, and Energy Property.

D. The Partnership will make an election described in Sections 266 of the Code to include the following deductible expenditures in the Partnership's depreciable basis: interest on the Mortgage Loans and real property taxes paid prior to the Completion Date.

E. Subject to the provisions of Section 12.4, all other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partner with the Consent of the Investor Limited Partner.

Section 12.4 Special Adjustments

In the event of (i) a transfer of all or any part of any Interest or (ii) an election pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) is made by the Investor Limited Partner, the Partnership shall elect, if requested by the transferee or by the Investor Limited Partner (as the case may be), pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) to adjust the basis of Partnership assets. Notwithstanding anything to the contrary contained in Article X, any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.5 Fiscal Year

The Fiscal Year of the Partnership shall be the calendar year unless a different year is required by the Code. The tax year of the majority interest of the partners/members in the Investor Limited Partner is expected to be and remain the calendar year.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Notices

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, or (iii) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Partnership, at the principal office of the Partnership set forth in Section 2.2, and if to a Partner, at its address set forth in the Schedule, with copies to Boston Financial Investment Management, LP, 101 Arch Street, Boston, MA 02110, Suite 1300, Attention: Asset Management Department; Dayna M Hutchins, Esq., Holland & Knight LLP, 10 St. James Avenue, Boston, MA 02116; and Gregg Burton, Esq., Carmody Torrance Sandak & Hennessey LLP, 195 Church Street, New Haven, Connecticut 06510.

Section 13.2 Word Meanings

The words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to “Sections” or “Articles” are to Sections or Articles of this Agreement, unless reference is expressly made to a different document.

Section 13.3 Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement. Subject to the preceding sentence, none of the provisions of this Agreement shall be for the benefit of any lender or any other Person who is not a Partner.

Section 13.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware.

Section 13.5 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 13.6 Paragraph Titles

Paragraph titles and any table of contents herein are for descriptive purposes only, and shall not affect the meaning of this Agreement as set forth in the text.

Section 13.7 Separability of Provisions; Rights and Remedies

A. Each provision of this Agreement shall be considered separable and (i) if for any reason any provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provisions shall be deemed void and of no effect.

B. Each of the parties hereto irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership is required to be continued under Article VII) any right (i) that such party may have to maintain any action for partition with respect to the property of the Partnership, and (ii) to commence an action seeking dissolution of the Partnership (unless the Consent of the Investor Limited Partner has been obtained).

C. The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any 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 limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention that the respective rights and obligations of the Partners shall be enforceable in equity as well as at law or otherwise.

D. Each Partner and each Guarantor irrevocably:

(i) agrees that any suit, action or other legal proceeding arising out of this Agreement, any of the Related Documents or any of the transactions contemplated hereby or thereby shall be brought in the courts of record of Suffolk County of the Commonwealth of Massachusetts or the courts of the United States located in Boston, Massachusetts;

(ii) consents to the jurisdiction of each such court in any such suit, action or proceeding;

(iii) waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any of such courts; and

(iv) waives its right to a jury trial with respect to any suit, action or other legal proceeding arising out of this Agreement, any of the Related Documents or any of the transactions contemplated hereby or thereby.

Section 13.8 Effective Date of Admission

Any Partner admitted to the Partnership during any calendar month shall be deemed to have been admitted as of the first day of such calendar month for all purposes of this Agreement including the allocation of profits, losses and credits under Article X; *provided, however*, that if regulations are issued by the Service or an amendment to the Code is adopted which would require, in the opinion of the Accountants, that a Partner be deemed admitted on a date other than as of the first day of such month, then the General Partner shall select a permitted admission date which is most favorable to the Partner.

Section 13.9 Delivery of Certificate

Promptly upon the filing of the Certificate and each amendment thereto in the appropriate filing office, the General Partner shall deliver or mail a copy thereof to each Limited Partner.

Section 13.10 Additional Information

At the request of the Investor Limited Partner, the General Partner shall furnish to the Investor Limited Partner: (i) Plans and Specifications for the Project; (ii) manuals, booklets and other documents describing the location and operation of all systems within the Project,

including without limitation heating, air conditioning, elevator, electrical and plumbing systems; (iii) a list and copies of all agreements concerning the maintenance, operation and management of the Project; and (iv) such other information regarding the Partnership, the Project or the Related Documents as the Investor Limited Partner may reasonably request.

Section 13.11 Further Documents and Actions

The Partners agree that they shall, from time to time, execute and deliver such further documents and do such further actions and things as may be reasonably requested by any other such party in order to affect fully the purposes of this Agreement and each other agreement or instrument identified on the Document Schedule.

Section 13.12 Brokers or Finders

The parties hereto agree that no broker or finder has any claim for commissions or fees in connection with the transaction embodied herein. The General Partner shall indemnify the Limited Partners against any brokers' or finders' fees or commissions claimed through the General Partner or its Affiliates in connection with the transactions contemplated hereby, including without limitation fees or commissions claimed by any syndicator or consultant engaged by the General Partner or any of its Affiliates. Fees payable to Boston Financial are not covered hereby.

Section 13.13 Amendments

This Agreement may only be amended in writing signed by the General Partner, the Investor Limited Partner and the Special Limited Partner. All parties agree that no oral agreements or course of conduct of the parties shall be deemed to be an amendment to this Agreement unless in writing signed as described above.

Section 13.14 Access to Property

The Limited Partners and/or their designated representatives shall have the right to visit the Property upon reasonable advance notice to the General Partner or the Management Agent.

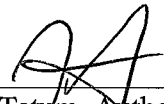
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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

GENERAL PARTNER:

ECHO PRESERVATION GP LLC, a Delaware limited liability company

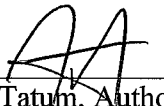
By: Fairstead Affordable LLC, a Delaware limited liability company, its sole member

By: 

John Tatum, Authorized Signatory

WITHDRAWING LIMITED PARTNER:

FAIRSTEAD AFFORDABLE LLC, a Delaware limited liability company

By: 

John Tatum, Authorized Signatory

INVESTOR LIMITED PARTNER:

BF ECHO VALLEY, LLC, a Delaware limited liability company, by its manager, West Cedar Managing, Limited Partnership, a Massachusetts limited partnership


By: BFRP-WCM, LLC, a Delaware limited liability company, its general partner

By: 

Gregory P. Voyentzie, Manager

SPECIAL LIMITED PARTNER:

BFIM SPECIAL LIMITED PARTNER, INC., a Florida corporation

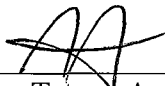
By: 

Gregory P. Voyentzie, President

DEVELOPER:
(For Purpose of Section 7.7)

FA DEVELOPER LLC, a Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware limited liability company, its sole member

By: 

John Tatum, Authorized Signatory

Exhibit A

ECHO PRESERVATION LP

SCHEDULE OF PARTNERS

As of November 19, 2018

<u>Name and Business Address</u>	<u>Capital Contributions</u>	<u>Percentage of Partnership Interests for Class</u>
<u>GENERAL PARTNER:</u>		
Echo Preservation GP LLC c/o Fairstead Affordable LLC 250 West 55th Street, 35th Floor New York, NY 10019 Attn: John Tatum and Jeffrey Goldberg	\$100	100%
<u>INVESTOR LIMITED PARTNER:</u>		
BF Echo Valley, LLC c/o Boston Financial Investment Management, LP 101 Arch Street, 13 th Floor Boston, MA 02110 (800) 829-9213 (Telephone No.)	\$8,766,000*	100%
<u>SPECIAL LIMITED PARTNER:</u>		
BFIM Special Limited Partner, Inc. c/o Boston Financial Investment Management, LP 101 Arch Street, 13th Floor Boston, MA 02110 (800) 829-9213 (Telephone No.)	\$10.00	100%

*Payable in accordance with Article V.

Exhibit B

ECHO PRESERVATION LP

RELATED DOCUMENTS

1. Partnership Agreement
2. Development Agreement
3. Guaranty Agreement
4. Closing Certificate
5. Supervisory Management Agreement
6. Purchase Option Agreement
7. Opinion of Partnership Counsel
8. Title Policy with Special Endorsements
9. Credit Approval
10. Energy Property Documents
11. Insurance Certificates (satisfying the requirements of Section 6.4A and **Exhibit C** of the Partnership Agreement)
12. HAP Contract
14. GZA Letter

Exhibit C

ECHO PRESERVATION LP

INSURANCE REQUIREMENTS

The following are construction period and permanent insurance requirements. This outline describes the minimum types and amounts of insurance that are satisfactory to the Special Limited Partner:

I. GENERAL INSURANCE REQUIREMENTS

- i. Partnership's Commercial General Liability Insurance (Bodily Injury and Property Damage).
- ii. During the construction period, a special form, Builder's Risk policy (written on a completed value form with an agreed value endorsement) and, thereafter, Partnership's Property Insurance.
- iii. Partnership's Automobiles/Hired and Non-Owned Liability Insurance.
- iv. Insurance for Boiler and Machinery (if elevators and/or centralized equipment), in the amount of full replacement cost. To be written on a comprehensive form, and to include loss of rents with a maximum of "24 hour" deductible with a mechanical breakdown endorsement.
- v. Insurance for flood if project is located within a 100-year flood plain (FEMA Flood Zone "A" or "V"-or any sub-designation of Zone "A" or "V"). Policies must be obtained through the National Flood Insurance Plan (NFIP) in the amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP. An excess Flood or Difference in Conditions (DIC) policy should provide for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. Flood policies must be in full effect for both the construction and permanent phases.
- vi. If the project is located in Seismic Zone III or IV, a seismic report must be completed to determine the Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL). If the SEL is shown to have an expected damage ratio of less than 20% then earthquake insurance may be waived. If the earthquake coverage is required, it must be in effect for both construction and permanent phases in an amount not less than full replacement cost, unless otherwise approved by the Special Limited Partner. The deductible is not to exceed 10% of the total insured value and coverage to include Business Income/Rent Loss at 12 months. Windstorm is a generally accepted exclusion from "All-Risk" insurance policies, provided that a separate policy is obtain for that exclusion. The wind policy must include business income/rents loss coverage for a minimum of 12 months.

- vii. Fidelity Bond/Employee Dishonesty in an amount not less than six (6) months of project's gross rental receipts. Coverage must be in full effect at time of occupancy.
- viii. Management Agent's General Liability, Auto, and Workers Compensation in the statutory amount.
- ix. During the construction period, General Contractor's Commercial General Liability, Automobile/Hired and Non-Owned Liability, Workers Compensation and Umbrella.
- x. During the construction period, Architect's Errors and Omissions (Professional Liability) Insurance is required.
- xi. Ordinance and Law Coverage must be obtained when the project represents a non-conforming use under current building, zoning or land use laws or ordinances. The amount is to cover any losses to the undamaged portion of the building at replacement cost, the demolition cost (10% of replacement cost) and the increased cost of construction (10% of the replacement cost).
- xii. Terrorism coverage is required for all projects with a replacement cost equal to or greater than \$20 million, and/or if located in a high risk area. For projects with a replacement cost under \$20 million and not in a high risk location, terrorism coverage is not mandatory.

Additional Insurance Items

- All carriers must be A- or better rated according to A.M. Best & Company, with a Financial Size Category rating by A.M. Best of VIII or higher.
- Insurance binders, certificates, and policies for the Partnership's insurance must name the Partnership as a Named Insured. Partnership's and General Contractor's insurance must name the Investor Limited Partner and Special Limited Partner as an Additional Insured on the liability or Loss Payee on the property as expressly indicated, under a customary form of lender's or mortgagee's clause, with a minimum of 30 days notice of cancellation. Accord 25 Certificate of Liability to be used for Liability Policies and an Acord 27 or 28 Evidence for Property Insurance.
- Policies shall provide to the Special Limited Partner 30 days prior written notice of cancellation or termination except for non-payment of premium where ten (10) days notice shall be given.
- Reference the name of the Property, including address, in the "description section" of the insurance certificate.
- Each Certificate/Binder must include a broker or agent contact name along with their phone number and fax number.

- Special Limited Partner reserves the right to modify the insurance requirements as conditions warrant.

II. DURING THE CONSTRUCTION PERIOD

A. Partnership's Policies

1. All Risk Builder's Risk

Form:	Completed Value (Non-Reporting Form). Please supply Evidence of Property Insurance Acord Form 27 or 28. Copies of Policies to follow within 90 days of acceptance.
Perils:	Special form "Completed Value" policy, subject to the policy terms, conditions and exclusions, Flood and Earthquake exclusion acceptable (unless in a 100 year flood plain or high risk earthquake zone with an SEL over 20%)
Valuation:	Total Construction Costs including the existing structure(s), if applicable.
Deductible:	Not to exceed \$25,000 per occurrence. Tier 1 locations: wind/hail not to exceed 5%.
Endorsements / Extensions:	Permission to Occupy Endorsement Delay in Completion Loss of Rents (12 months) Soft Costs Ordinance and Law Coverage Waiver of Coinsurance
Limited Partnership:	Partnership
Loss Payee:	Investor Limited Partner Special Limited Partner

2. Commercial General Liability

Form:	Acord 25, ISO Occurrence Form
Minimum Limits:	\$2,000,000 Aggregate Limit \$1,000,000 Products/Completed Operations Aggregate

\$1,000,000	Personal & Advertising Injury
\$1,000,000	Occurrence
\$50,000	Fire Damage
\$5,000	Medical Expense

Aggregate Limits must be written on a “per location” basis

Named Insured:	Partnership
Additional Insured:	Investor Limited Partner Special Limited Partner

3. Umbrella/Excess Liability

Form:	Following Form								
Minimum Limit:	<table> <tr> <td>1-3 stories</td> <td>\$3,000,000</td> </tr> <tr> <td>4-10 stories</td> <td>\$5,000,000</td> </tr> <tr> <td>11-20 stories</td> <td>\$10,000,000</td> </tr> <tr> <td>20 or more stories</td> <td>\$25,000,000</td> </tr> </table>	1-3 stories	\$3,000,000	4-10 stories	\$5,000,000	11-20 stories	\$10,000,000	20 or more stories	\$25,000,000
1-3 stories	\$3,000,000								
4-10 stories	\$5,000,000								
11-20 stories	\$10,000,000								
20 or more stories	\$25,000,000								

4. Boiler and Machinery (if elevator or centralized equipment)

Form:	Comprehensive Form
Limit:	Total Building Value Limit
Valuation:	Repair and/or Replacement
Extensions:	Loss of Rents with Mechanical Breakdown Endorsement Testing

B. General Contractor’s Policies

1. Commercial General Liability

Form:	Acord 25 ISO, Occurrence Form						
Minimum Limit:	<table> <tr> <td>\$2,000,000</td> <td>Aggregate Limit</td> </tr> <tr> <td>\$1,000,000</td> <td>Products/Completed Operations Aggregate</td> </tr> <tr> <td>\$1,000,000</td> <td>Personal & Advertising Injury</td> </tr> </table>	\$2,000,000	Aggregate Limit	\$1,000,000	Products/Completed Operations Aggregate	\$1,000,000	Personal & Advertising Injury
\$2,000,000	Aggregate Limit						
\$1,000,000	Products/Completed Operations Aggregate						
\$1,000,000	Personal & Advertising Injury						

\$1,000,000 Occurrence
\$50,000 Fire Damage
\$5,000 Medical Expense

Aggregate Limits must be written on a “per project” basis

Coverage to be on a Primary & Non-Contributory basis

Shall include Waiver of Subrogation, CG 2010 endorsement and CG 2037 endorsement (each naming the Additional Insureds listed below)

Statute of repose required per State requirements

Additional Insured:

Partnership
Investor Limited Partner
Special Limited Partner

2. Umbrella/Excess Liability

Form:

Following Form

Minimum Limit:

1-3 stories	\$3,000,000
4-10 stories	\$5,000,000
11-20 stories	\$10,000,000
20 or more stories	\$25,000,000

3. Workers’ Compensation and Employer’s Liability

Limits:

Workers Compensation

Statutory

Employer’s Liability

\$1,000,000 Each Accident
\$1,000,000 Disease – Policy Limit
\$1,000,000 Disease – Each Employee

Certificate Holder:

Investor Limited Partner
Includes waiver of subrogation

4. Automobile Liability

Limit	\$1,000,000 per accident Combined Single Limit (“CSL”)
	Includes waiver of subrogation and additional insured status

C. Architect’s Policies

1. E&O Professional Liability Insurance

Minimum Limit:	\$1,000,000
Certificate Holder:	Investor Limited Partner

III. PERMANENT INSURANCE

A. Property Insurance

Form:	ISO Special Form. Please supply Evidence of Property Insurance, Acord Form 27, 28 or other “Special” or “All Risk” form). Copies of Policies are due within 90 days of acceptance
Limits:	
Building (Real Property)	100% of Insurable Value (Replacement Cost)
Contents (Personal Property)	Replacement Cost Coverage
Business Interruption (Rents)	12 months’ gross rental income with extra expense
Valuation:	Replacement Cost
Maximum Deductible:	\$25,000 per occurrence Tier one locations: wind/hail not to exceed 5%
Extensions:	Vacancy/Unoccupancy up to 60 days Ordinance and Law Waiver of Coinsurance/Agreed Value Endorsement
Names Insured:	Partnership

Loss Payee: Investor Limited Partner
Special Limited Partner

B. Partnership Commercial General Liability

Form: Acord 25 ISO Occurrence Form. Copies of Policies to follow within 90 day of acceptance

Limit: \$2,000,000 Aggregate Limit
\$1,000,000 Products/Completed Operations
Aggregate
\$1,000,000 Personal & Advertising Injury
\$1,000,000 Occurrence
\$50,000 Fire Damage
\$5,000 Medical Expense

Aggregate Limits must be written on a “per location” basis

Deductible/Retention: None

Named Insured: Partnership

Additional Insured: Partnership (if through the Management Agent)
Investor Limited Partner
Special Limited Partner

C. Umbrella/Excess Liability

Form: Following form

Minimum Limit: 1-3 stories \$3,000,000
4-10 stories \$5,000,000
11-20 stories \$10,000,000
20 or more stories \$25,000,000

D. Boiler and Machinery

Form: Comprehensive Form

Limit: Total Building Value Limit

Valuation: Repair and/or Replacement

Extensions: Loss of Rents with Mechanical Breakdown

E. Management Company Commercial General Liability

Form: Accord 25 ISO Occurrence Form

Limit: \$2,000,000 Aggregate
\$1,000,000 Products/Completed Operations
Aggregate
\$1,000,000 Personal & Advertising Injury
\$1,000,000 Occurrence
\$50,000 Fire Damage
\$5,000 Medical Expense

Aggregate Limits must be written on a “per location” basis

F. Management Company Workers Compensation

Limits: \$1,000,000 Each Accident
\$1,000,000 Disease-Policy Limit
\$1,000,000 Each Employee

G. Management Company Automobile Liability

Limit: \$1,000,000 per accident combined single limit (CSL)

H. Management Company Fidelity Bond/Crime

Limit: (6) months of projects gross rental receipts

Exhibit D

ECHO PRESERVATION LP

[RESERVED]

Exhibit E

ECHO PRESERVATION LP

GZA LETTER AND LIST OF ENVIRONMENTAL REPORTS

[attached behind]



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F: 781.278.5702
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October 31, 2018
File No. 173316.47

Mr. Mark Matasic
Boston Financial Investment Management
101 Arch Street, 13th Floor
Boston, Massachusetts 02110-1006

Re: Review of Environmental Documents
Echo Valley Apartments
West Warwick, Rhode Island

Dear Mr. Matasic:

At your request, and in accordance with our master agreement with Boston Financial Investment Management (GZA File No. 170335.00), GZA GeoEnvironmental, Inc. (GZA) has reviewed the following documents:

ENVIRONMENTAL REPORT	COMPANY	REPORT DATE	GZA REVIEW
UST Documentation	State of Rhode Island	Various Dates from 2000 to 2006	September 18, 2018
"Underground Storage Tank Closure Assessment, Echo Valley Apartments, Building A, 56 Maple Avenue, West Warwick, Rhode Island 02893"	FJA Environmental Associates, Inc.	January 18, 2006	September 18, 2018
"Phase I Environmental Site Assessment Report, Echo Valley Apartments, 56 Maple Avenue, West Warwick, RI 02893" (ESA-1)	EFI Global, Inc. (EFI)	November 19, 2017	September 18, 2018
"Aboveground Storage Tank Operations and Maintenance plan, Echo Valley Apartments, 56 Maple Avenue, West Warwick, RI 02893"	EFI	February 27, 2018	September 18, 2018
Email re: "ESA Review – Echo Valley Apartments"	Mark Matasic, BFIM	September 21, 2018	October 30, 2018
"Lead-Based Paint Inspection Report, Echo Valley Apartments, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner Engineering and Science, Inc. (Partner)	October 24, 2018	October 30, 2018
"Phase I Environmental Site Assessment Report, Echo Valley, 56 Maple Avenue, West Warwick, Rhode Island 02893" (ESA-2)	Partner Assessment Corporation (Partner)	October 19, 2018	October 30, 2018
"Mold – Moisture Action & Prevention Plan, Echo Valley, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner	October 19, 2018	October 30, 2018



ENVIRONMENTAL REPORT (CONT.)	COMPANY	REPORT DATE	GZA REVIEW
"Lead-Based Paint Operations & Maintenance Plan, Echo Valley, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner	October 19, 2018	October 30, 2018
"Baseline Asbestos Survey Report, Echo Valley Apartments, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner	October 19, 2018	October 30, 2018
"Asbestos-Containing Material Operations & Maintenance Plan, Echo Valley, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner	October 19, 2018	October 30, 2018
"Radon Survey Report, Echo Valley Apartments, 56 Maple Avenue, West Warwick, Rhode Island 02893"	Partner	October 19, 2018	October 30, 2018

Based on our review of the above-referenced documents, it is GZA's opinion that ESA-1 is generally consistent with the current ASTM Standard (E1527-13) for Phase I Environmental Site Assessments. ESA-1 does not identify current Recognized Environmental Conditions (RECs); however, the former presence of an underground storage tank (UST) and associated contamination is identified as an Historic REC (HREC). The Rhode Island UST Management Program indicated in a letter dated March 13, 2006, that it "is not requiring any further environmental action at this time." GZA offers several additional comments:

- Issue:** ESA-1 is greater than six months old, the ASTM-defined "shelf life" for reports of this nature.

Recommendation: Boston Financial Investment Management should request an updated ESA.

Status: Closed by submittal of ESA-2.
- Issue:** ESA-1 notes the presence of jurisdictional wetlands on the Site, and recommends that, "The confirmed and potential wetlands on the Property should be delineated prior to any future construction activities in these areas."

Recommendation: Boston Financial Investment Management should request the delineation of wetlands on the Site prior to redevelopment activities that may impact the resource areas.

Status: Closed. Based on information provided in the email dated September 21, 2018, GZA understands that renovation work will be limited to the footprint of the existing buildings.
- Issue:** ESA-1 notes the presence of suspect non-friable asbestos containing material "throughout [the] buildings;" however, sampling was not conducted to confirm the presence or absence of asbestos in these materials.

Recommendation: Boston Financial Investment Management should request completion of an asbestos-containing material (ACM) survey at the Site. Alternatively, Boston Financial Investment Management could request that an ACM Operation & Maintenance (O&M) Plan be prepared to address these suspect materials.

Status: No additional information is currently required. Limited testing did not indicate the presence of ACM at the Site; however, an ACM O&M Plan was prepared to cover suspect ACMs not tested. The provisions of the ACM O&M



Plan should be followed. If suspect ACM are to be disturbed during renovation or demolition, they should be tested prior to disturbance, or assumed to be ACM and handled accordingly. Should future testing reveal ACM, the testing results should be appended to the ACM O&M Plan, or a revised ACM O&M Plan should be prepared. The results of future ACM testing; confirmation of abatement of ACM in accordance with all applicable local, state, and federal regulations; and/or documentation of the encapsulation of ACM during renovation in accordance with the O&M Plan should be forwarded to Boston Financial Investment Management when available.

4. Issue: ESA-1 notes that the buildings were constructed in 1977, and that, "RI Department of Health records indicate that Buildings B, C, D, F and G were previously certified lead-safe, although the certification has expired. However, the presence of lead-based paint cannot be excluded in other buildings at the Property."

Recommendation: Boston Financial Investment Management should request completion of a lead-based paint (LBP) survey at the Site. Alternatively, Boston Financial Investment Management could request that an LBP O&M Plan be prepared to address suspect LBP at the Site.

Status: No additional information is currently required. Testing of painted surfaces within the Site buildings did not indicate the presence of LBP; however, low concentrations of lead (below the level considered LBP) were detected in painted materials. An LBP O&M Plan has been prepared for the Site based on the presumed presence of LBP due to the age of the building. The provisions of the LBP O&M Plan should be followed. If untested painted materials are to be disturbed during renovation or demolition, they should be tested prior to disturbance, or assumed to be LBP and handled accordingly. Disturbance of known or suspected lead-containing paint should be conducted in accordance with all applicable regulations, including OSHA's Lead in Construction standard. Any future LBP testing results should be appended to the LBP O&M Plan, or a revised LBP O&M Plan should be prepared.

5. Issue: ESA-1 notes that radon analyses conducted as part of EFI's study did not indicate radon concentrations above the United States Environmental Protection (USEPA) Radon Action Level of 4.0 picocuries per liter (pCi/L); however, a 2009 ESA by Consulting Solutions Inc. (CSI) appended to ESA-1 notes that radon concentrations in the Leasing Office (9.0 pCi/L) and Unit B101 (5.0 pCi/L) exceeded the Action Level. GZA notes that Unit B101 was retested in 2017; however, the Leasing Office was not. The 2009 ESA notes that "CSI recommends additional extensive radon testing to better address radon levels at the property. CSI will be coordinating the placement of this testing. The results of the second round of testing will be presented in a letter report to Wells Fargo Multifamily Capital."

Recommendation: Boston Financial Investment Management should request that EFI further assess the discrepancy regarding the radon results. This assessment should include inquiries with the property owner regarding follow-up testing since the 2009 ESA, and whether or not radon mitigation efforts were conducted since 2009. Should such information be unavailable, Boston Financial Investment Management should request retesting of Unit B101 and the Leasing Office for radon.

Status: Closed by results of retesting as documented in the Radon Survey Report dated October 19, 2018. Retesting was conducted in Unit B101 and the Leasing Office; results were below the USEPA Action Level. Future radon testing results, if conducted, should be forwarded to Boston Financial Investment Management for review.

6. Issue: Although Partner noted that "No obvious indicators of water damage or mold growth were observed during Partner's visual assessment," a Mold – Moisture Action & Prevention Plan was prepared.

Recommendation: The provisions of the Mold – Moisture Action & Prevention Plan should be followed.


Status: No additional information is currently required.




If you have any questions regarding the above, please contact David E. Leone at davide.leone@gza.com or Lawrence Feldman at lawrence.feldman@gza.com.

Very truly yours,

GZA GEOENVIRONMENTAL, INC.



David E. Leone
Associate Principal



Lawrence Feldman
Consultant/Reviewer

Attachment: Checklist



PART I - SITE INFORMATION

1. Boston Financial Investment Management project designation

Project Name: Echo Valley Apartments

Location: West Warwick, RI

2. GZA project designation

File No. 173316.47

Principal in Charge: Leone

Reviewer: Feldman

3. Current land use

- a. residential
- b. commercial
- c. vacant, wooded, pasture
- d. active agricultural
- e. under development

4. Age of ESA at time of GZA review 10 months

PART II - ADEQUACY OF SITE ASSESSMENT - GENERAL

1. Adequate description of site visit/observations? Yes No

2. Adequate description of site history? Yes No

3. Adequate review of regulatory information/environmental databases

a. for study site? Yes No

b. for surrounding properties? Yes No

4. If there are surrounding properties that have the potential to impact the study site, have they been adequately addressed in the ESA? Yes No N/A

5. If the current or recent past use of the study site is active agricultural, has the ESA addressed the potential impact of residual levels of agricultural chemicals in the soil on the



future residential use of the site? Yes No Unk./N/A

6. Does the ESA provide an opinion with respect to radon?

levels in current or future site structures Yes No

a. Does existing structure have basement? Yes No Unk./N/A

b. Will future structure have basement? Yes No Unknown

Comment: Report notes radon concentrations less than 4.0 pCi/L; however, testing in 2009 indicated concentrations above 4.0 pCi/L in certain locations.

7. Is asbestos adequately addressed? Yes No

a. no buildings on site

b. all buildings on site post-1978

c. buildings undergoing extensive renovation

d. asbestos suspected: friable non-friable

e. asbestos confirmed by inspection/testing: friable non-friable

f. management plan recommended

g. no asbestos present

8. Is lead paint adequately addressed? Yes No

a. no buildings on site

b. all buildings on site post-1978

c. buildings undergoing extensive renovation

d. lead paint suspected

e. lead paint confirmed by testing

f. management plan recommended

g. no lead paint present

PART III - ISSUES RAISED BY REPORT

1. On-site source of contamination? Yes No

Past Present

2. Off-site source of contamination? Yes No



Past Present

- 3. Agricultural chemical residue? Yes No
 In soil In on-site supply well
- 4. Elevated radon levels likely? Yes No
- 5. Asbestos? Yes No
- 6. Lead paint? Yes No
- 7. PCB-containing electrical equipment? Yes No
- 8. Elevators/hydraulic lifts? Yes No

If any of the Part III items are checked yes, provide a brief explanation:

1. The former presence of a UST and associated contamination is identified as an HREC. The Rhode Island UST Management Program indicated in a letter dated March 13, 2006, that it "is not requiring any further environmental action at this time."

4. Report notes radon concentrations less than 4.0 pCi/L; however, testing in 2009 indicated concentrations above 4.0 pCi/L in certain locations.

5. ACM suspected; ACM survey or O&M Plan recommended.

6. LBP suspected; LBP survey or O&M Plan recommended.

	Found	Phase II Done	Further Testing	O&M Required	O&M Executed
Asbestos	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LUST	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lead-Based Paint	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Radon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Contamination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groundwater Contamination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: Lead in drinking water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: Mold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Exhibit F

ECHO PRESERVATION LP

INITIAL PRO FORMA RENTS

No. of Units	Unit Mix	AMI	Pro Forma Rent
60	1 bedroom	60%	\$1,200
20	2 bedroom	60%	\$1,420
20	3 bedroom	60%	\$1,735

Exhibit G

ECHO PRESERVATION LP

SECOND INSTALLMENT PAYMENT CERTIFICATE

The undersigned is the general partner of Echo Preservation LP, a Delaware limited partnership (the “Partnership”) and does hereby certify to BF Echo Valley, LLC, a Delaware limited liability company, together with its successors and assigns (the “Investor Limited Partner”), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 19, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Second Installment have been satisfied.
2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the Second Installment is \$_____, there being no reduction in the amount thereof pursuant to Section 5.2 of the Partnership Agreement. **[Modify as appropriate if any adjustment shall have occurred and attach supporting calculations and documentation.]**
3. The Fifty Percent Completion Date occurred on _____.
4. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct in all material respects.
5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
6. No Material Default has occurred and is continuing.
7. No Event of Bankruptcy as to any General Partner, Developer or Guarantor shall have occurred unless such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.
8. No event has occurred which suspends or terminates the obligations of the Investor Limited Partner to pay Installments under the Partnership Agreement which has not been cured as therein provided.
9. The HAP Contract remains in full force and effect in accordance with its terms.
10. Attached hereto is a true copy of the final issued Title Policy with all endorsements thereto, together with a current Title Search Report, evidencing the accuracy of the representation contained in Section 6.5(ix) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20__.

ECHO PRESERVATION GP LLC, a Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware limited liability company, its sole member

By: _____
John Tatum, Authorized Signatory

Exhibit H

ECHO PRESERVATION LP

THIRD INSTALLMENT PAYMENT CERTIFICATE

The undersigned is the general partner of Echo Preservation LP, a Delaware limited partnership (the “Partnership”) and does hereby certify to BF Echo Valley, LLC, a Delaware limited liability company, together with its successors and assigns (the “Investor Limited Partner”), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 19, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Third Installment have been satisfied.
2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the Third Installment is \$_____, there being no reduction in the amount thereof pursuant to Section 5.2 of the Partnership Agreement. **[Modify as appropriate if any adjustment shall have occurred and attach supporting calculations and documentation.]**
3. The Seventy Five Percent Completion Date occurred on _____.
4. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct in all material respects.
5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
6. No Material Default has occurred and is continuing.
7. No Event of Bankruptcy as to any General Partner, Developer or Guarantor shall have occurred unless such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.
8. No event has occurred which suspends or terminates the obligations of the Investor Limited Partner to pay Installments under the Partnership Agreement which has not been cured as therein provided.
9. The HAP Contract remains in full force and effect in accordance with its terms.
10. Attached hereto is a true copy of a current Title Search Report evidencing the accuracy of the representation contained in Section 6.5(ix) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20__.

ECHO PRESERVATION GP LLC, a Delaware limited liability company

By: Fairstead Affordable LLC, a Delaware limited liability company, its sole member

By: _____
John Tatum, Authorized Signatory

Exhibit I

ECHO PRESERVATION LP

FOURTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned is the general partner of Echo Preservation LP, a Delaware limited partnership (the “Partnership”) and does hereby certify to BF Echo Valley, LLC, a Delaware limited liability company, together with its successors and assigns (the “Investor Limited Partner”), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 19, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fourth Installment have been satisfied.
2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the Fourth Installment is \$_____, there being no reduction in the amount thereof pursuant to Section 5.2 of the Partnership Agreement. **[Modify as appropriate if any adjustment shall have occurred and attach supporting calculations and documentation.]**
3. The Completion Date occurred on _____.
4. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct in all material respects.
5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.
6. No Material Default has occurred and is continuing.
7. No Event of Bankruptcy as to any General Partner, Developer or Guarantor shall have occurred unless such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.
8. No event has occurred which suspends or terminates the obligations of the Investor Limited Partner to pay Installments under the Partnership Agreement which has not been cured as therein provided.
9. The HAP Contract remains in full force and effect in accordance with its terms.
10. Attached hereto is a true copy of a current Title Search Report evidencing the accuracy of the representation contained in Section 6.5(ix) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of

_____, 20__.

ECHO PRESERVATION GP LLC, a Delaware
limited liability company

By: Fairstead Affordable LLC, a Delaware
limited liability company, its sole member

By: _____
John Tatum, Authorized Signatory

Exhibit J

ECHO PRESERVATION LP

FIFTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned is the general partner of Echo Preservation LP, a Delaware limited partnership (the “Partnership”) and does hereby certify to BF Echo Valley, LLC, a Delaware limited liability company, together with its successors and assigns (the “Investor Limited Partner”), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 19, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Fifth Installment have been satisfied.

2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the Fifth Installment is \$_____, there being no reduction in the amount thereof pursuant to Section 5.2 of the Partnership Agreement. **[Modify as appropriate if any adjustment shall have occurred and attach supporting calculations and documentation.]**

3. The Initial Qualified Occupancy Date occurred on _____, as evidenced by the written confirmation of the Management Agent and certification of the General Partner attached hereto. The Investor Limited Partner has received and approved a copy of the Tenant Income Certifications for each of the Qualified Tenants occupying each of the Low Income Units comprising the Project.

4. The Partnership has submitted an application for IRS Forms 8609 to the Credit Agency in form acceptable to the Investor Limited Partner with respect to each Building in the Project, copies of which are attached hereto.

5. Final Closing is scheduled to occur on _____. All conditions to Final Closing have been satisfied other than conversion of the Tax-Exempt Loan to its permanent phase, which shall occur contemporaneously with payment of this Fifth Installment.

6. The Accountants determined the amount of the Tax Credits and determined that the Project satisfies the requirements of Section 42(h)(4) of the Code on _____, which is evidenced by the determination letter attached hereto as Attachment A.

7. Attached hereto is a copy of the final, signed Cost Certification and Energy Property Cost Certification (if separate) prepared by the Accountants and previously reviewed and approved by the Investor Limited Partner.

8. The Stabilization Date occurred on _____, as evidenced by the accountants’ determination letter that the Partnership achieved a Debt Service Coverage Ratio of 115% for each of three (3) consecutive months commencing after Final Closing, which determination letter is attached hereto as Attachment B.

9. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct in all material respects.

10. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

11. No Material Default has occurred and is continuing.

12. No Event of Bankruptcy as to any General Partner, Developer or Guarantor shall have occurred unless such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.

13. No event has occurred which suspends or terminates the obligations of the Investor Limited Partner to pay Installments under the Partnership Agreement which has not been cured as therein provided.

14. The HAP Contract remains in full force and effect in accordance with its terms.

15. Attached hereto is evidence that all water and sewer charges for the previous billing cycle have been paid in full and evidence that the Real Property Tax Exemption is in full force and effect (e.g., a current real estate tax bill, assessor's data, etc.).

16. Attached hereto is a true copy of a current Title Search Report evidencing the accuracy of the representation contained in Section 6.5(ix) of the Partnership Agreement.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 20__.

ECHO PRESERVATION GP LLC, a Delaware
limited liability company

By: Fairstead Affordable LLC, a Delaware
limited liability company, its sole member

By: _____
John Tatum, Authorized Signatory

[Letterhead of Partnership Accountants]

Attachment A

DETERMINATION OF TAX CREDIT

_____, 20__

BF Echo Valley, LLC
c/o Boston Financial Investment Management, LP
101 Arch Street, 13th Floor
Boston, MA 02110
Attention: Asset Management

Re: **Echo Preservation LP, a Delaware limited partnership** (the "Partnership")

Ladies and Gentlemen:

We have reviewed the pertinent portions of the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 19, 2018 (the "Partnership Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Partnership Agreement.

Based upon information provided to us by the Partnership concerning a 100-unit apartment complex located in West Warwick, Rhode Island and commonly known as "Echo Valley Apartments" (the "Project"), we have performed the following procedures.

We have compiled a statement of the development costs through _____, 20__ and the expected classification of each cost for tax purposes.

We have obtained a budget for the development costs from the Partnership.

We have compared the budget for such costs to the actual results, and have made all inquiries we considered necessary with respect to any material variances.

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Partnership.

We have determined that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner will be \$_____ and that the Adjusted Aggregate Federal Energy Tax Credit properly allocable to the Investor Limited Partner will be \$_____.

We have further determined that 50% or more of the aggregate basis of each of the Buildings and the Land attributable thereto 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.

Furthermore, nothing has come to our attention to suggest that the data or assumptions on which the above determinations are based are incorrect or inappropriate.

In making these determinations, we have assumed that 100% of the dwelling units in the Project will be "low-income units" as such term is defined in Section 42(i)(3) of the Internal Revenue Code of 1986, as amended, and have no reason to believe that such assumption is unwarranted.

Copies of the calculations we have made in reaching the determinations above and of the financial statements and budgets upon which such calculations are based are attached hereto.

[Partnership Accountants]

[Letterhead of Partnership Accountants]

Attachment B

**DETERMINATION OF DEBT
SERVICE COVERAGE RATIO**

_____, 20__

BF Echo Valley, LLC
c/o Boston Financial Investment Management, LP.
101 Arch Street, 13th Floor
Boston, MA 02110
Attention: Asset Management

Re: **Echo Preservation LP, a Delaware limited partnership** (the "Partnership")

Ladies and Gentlemen:

We have reviewed the pertinent portions of the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 19, 2018 (the "Partnership Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Partnership Agreement.

Using information provided to us by the Partnership concerning a 100-unit apartment complex located in West Warwick, Rhode Island and commonly known as "Echo Valley Apartments" (the "Project"), we have performed the following procedures:

We have compiled a statement of income and expenses for the three (3) months ended _____, 20__.

We have obtained an annual budget prepared by the Project's management agent for the year ended December 31, 20__.

We have adjusted the statement to annualize all expenditures, including those of a seasonal or irregular nature which might reasonably be expected to be incurred on an unequal basis during a full annual period of operations. (Examples of such expenditures include debt service, reserve funding, maintenance, utilities, snow removal and real estate taxes.)

We have compared the budget for such period to the statement of actual results, and have made all inquiries we considered necessary with respect to any material variances.

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Partnership and the management agent.

We have determined that the Partnership, for a period of three (3) consecutive calendar months (and during each individual month) beginning on _____ 20__ (which date is subsequent to Final Closing) has achieved a Debt Service Coverage Ratio of 115%. Furthermore, nothing has come to our attention to suggest that the data or assumptions on which the above determination is based are incorrect or inappropriate.

Copies of the calculations and adjustments we have made in reaching the determination above and of financial statements and budgets upon which such calculations are based are attached hereto.

[Partnership Accountants]

By: _____

Exhibit K

ECHO PRESERVATION LP

SIXTH INSTALLMENT PAYMENT CERTIFICATE

The undersigned is the general partner of Echo Preservation LP, a Delaware limited partnership (the “Partnership”) and does hereby certify to BF Echo Valley, LLC, a Delaware limited liability company, together with its successors and assigns (the “Investor Limited Partner”), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of November 19, 2018 (the “Partnership Agreement”), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership Agreement and applicable to the Sixth Installment have been satisfied.

2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the Sixth Installment is \$_____, there being no reduction in the amount thereof pursuant to Section 5.2 of the Partnership Agreement. **[Modify as appropriate if any adjustment shall have occurred and attach supporting calculations and documentation.]**

3. The Partnership has received a copy of IRS Forms 8609 issued by the Credit Agency with respect to all of the Buildings, copies of which are attached hereto and a properly recorded Extended Use Agreement, a copy of which is attached hereto.

4. Attached hereto is a copy of the Deferred Development Fee Note executed by the Partnership in favor of the Developer. The principal amount of the Deferred Development Fee Note equals the unpaid portion of the Development Fee following payment of this Fifth Installment.

5. The Energy Property PIS Date occurred on _____. Attached hereto at Attachment A is a copy of the completed and signed Installer’s Certificate with respect to the completion of the installation of the Energy Property.

6. Attached are copies of the Energy Property Documents for the Project.

7. Each of the representations and warranties set forth in Section 6.5 of the Partnership Agreement is true and correct in all material respects.

8. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under Section 5.3 of the Partnership Agreement.

9. No Material Default has occurred and is continuing.

10. No Event of Bankruptcy as to any General Partner, Developer or Guarantor shall have occurred unless such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.

11. No event has occurred which suspends or terminates the obligations of the Investor Limited Partner to pay Installments under the Partnership Agreement which has not been cured as therein provided.

12. The HAP Contract remains in full force and effect in accordance with its terms.

13. The Real Property Tax Exemption remains in full force and effect.

14. Attached hereto is a true copy of a current Title Search Report evidencing the accuracy of the representation contained in Section 6.5(ix) of the Partnership Agreement as well as the recording information for the Extended Use Agreement and any permanent Mortgage Loan Documents recorded in connection with Final Closing.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of _____, 20__.

ECHO PRESERVATION GP LLC, a Delaware
limited liability company

By: Fairstead Affordable LLC, a Delaware
limited liability company, its sole member

By: _____
John Tatum, Authorized Signatory

St. Martins Townhouses

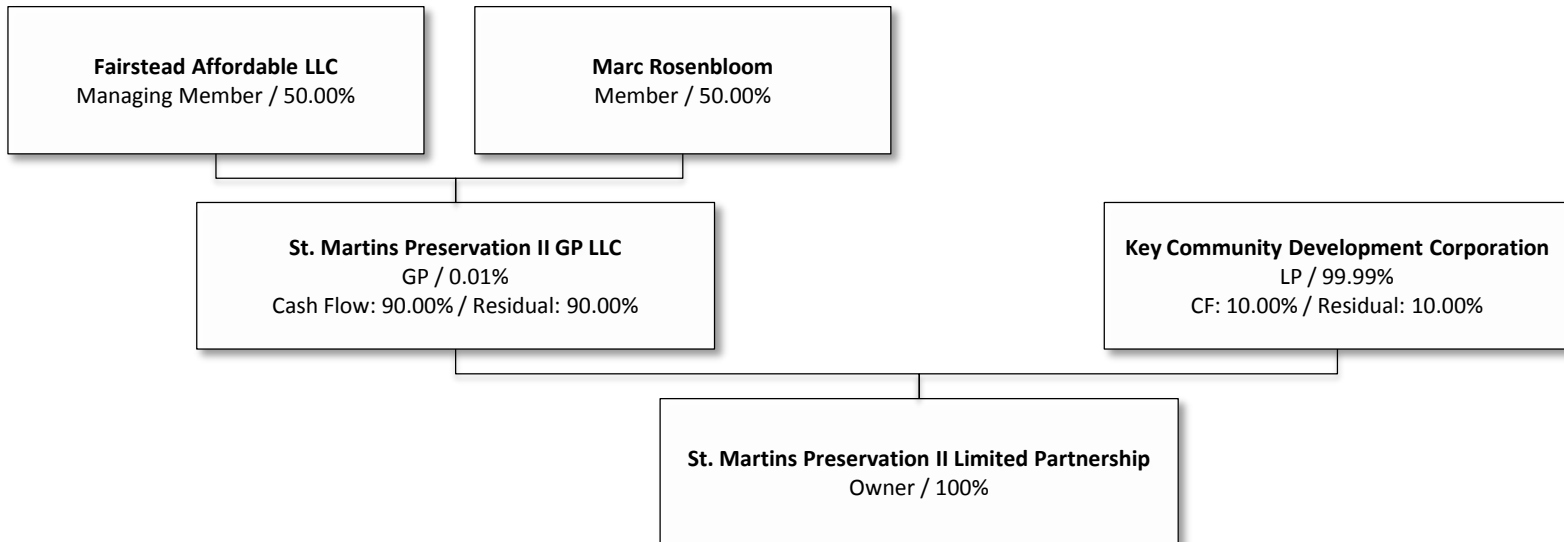
New Haven, CT

St. Martins Townhouses

New Haven, CT

Organizational Chart

Property Owner – Tax Credit



St. Martins Townhouses
New Haven, CT

Limited Partnership
Agreement

St. Martins Preservation II Limited Partnership

SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

June 28, 2019

GENERAL PARTNER:

St. Martins Preservation II GP LLC
c/o Fairstead Affordable LLC
250 West 55th Street, 35th Floor
New York, New York 10019

LIMITED PARTNER:

Key Community Development Corporation
Mailcode: OH-01-27-0859
127 Public Square
Cleveland, Ohio 44114

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St. Martins Preservation II Limited Partnership

(A Connecticut Limited Partnership)

SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

June 28, 2019

This Second Amended and Restated Limited Partnership Agreement (referred to herein as the “Partnership Agreement”) is entered into as of the date first set forth above by and between St. Martins Preservation II GP LLC, a Connecticut limited liability company, as the General Partner, and Key Community Development Corporation, an Ohio corporation, as the Limited Partner.

STATEMENT OF AGREEMENT

The parties to this Partnership Agreement, each in consideration of the acts, capital contributions and promises of the others, agree as follows:

ARTICLE 1: ORGANIZATION

§1.1 Continuation of Partnership. The Partnership was formed as of July 20, 2018 by the filing of the Partnership’s certificate of limited partnership with the Delaware Secretary of State and was re-domesticated in Connecticut by filing a statement of domestication and Certificate of Limited Partnership with the Connecticut Secretary of State on January 8, 2019. The Partnership’s original limited partnership agreement was entered into by the General Partner and the Original Limited Partner as of September 11, 2018 and was amended and restated by a first amended and restated limited partnership agreement dated as of December 5, 2018. The Partners desire to and do hereby amend and restate the original limited partnership agreement in its entirety upon the terms and conditions set forth in this Partnership Agreement.

§1.2 Character and Purpose of Business. The general character and purpose of the business of the Partnership shall be: (a) to acquire, renovate, construct, own, finance, lease and operate the Project as a qualified low income housing project within the meaning of §42 of the Internal Revenue Code of 1986, as amended (“Code”); (b) to eventually sell or otherwise dispose of the Project in a manner consistent with the provisions of this Partnership Agreement; and (c) to engage in all other activities incidental or related thereto.

§1.3 Name of Partnership. The name of the Partnership is “St. Martins Preservation II Limited Partnership.”

§1.4 Principal Place of Business. The address of the principal place of business of the Partnership shall be c/o Fairstead Affordable LLC, 250 West 55th Street, 35th Floor, New York, New York 10019, or such other address as may from time to time be selected by the Partners.

§1.5 Principal Office. The address of the principal office of the Partnership shall be c/o Fairstead Affordable LLC, 250 West 55th Street, 35th Floor, New York, New York 10019, or such other address as may from time to time be selected by the Partners.

§1.6 Agent for Service of Process. The Partnership's agent for service of process shall be CT Corporation, or such other agent as the General Partner may select from time to time with the written consent of the Limited Partner. The address of the agent for service of process is Incorporating Services Ltd., 59 Dogwood Road, Wethersfield, CT 06109.

§1.7 Name and Address of General Partner. The name and address of the General Partner are as follows:

St. Martins Preservation II GP LLC
c/o Fairstead Affordable LLC
250 West 55th Street, 35th Floor
New York, New York 10019

§1.8 Name and Address of Limited Partner. The name and address of the Limited Partner is as follows:

Key Community Development Corporation
Mailcode OH-01-27-0859
127 Public Square
Cleveland, Ohio 44114
Attention: Asset Management

1.8.1 Withdrawal of Original Limited Partner. The Original Limited Partner hereby withdraws from the Partnership and consents to the admission of the Limited Partner as a limited partner in the Partnership. The Original Limited Partner is a party to this Partnership Agreement for the sole purpose of withdrawing as limited partner of the Partnership and for no other purpose. The effective date of the Original Limited Partner's withdrawal from the Partnership shall be the date on which this Partnership Agreement is fully executed. The General Partner and the Limited Partner hereby release the Original Limited Partner from all obligations to the Partnership. The Original Limited Partner acknowledges (i) receipt of the return of its capital contribution to the partnership, (ii) that it no longer has any interest in the Partnership and (iii) that it has no claims in its capacity as a Partner for any unpaid fees, compensation or distributions against the Partnership or any of the Partners. The Limited Partner is admitted to the Partnership upon the full execution and delivery of this Partnership Agreement.

§1.9 Governmental Filings. The General Partner shall make all governmental filings as are necessary or appropriate to qualify the Partnership to do or continue to do business in the State and any other jurisdiction or to otherwise carry out the purposes and intent of this Partnership Agreement. In addition, the General Partner shall timely and properly file of record the Restrictive Covenant.

§1.10 Term of Partnership. The term of the Partnership began on July 20, 2018 (the date on which the Partnership's certificate of limited partnership was first filed with the Delaware

Secretary of State) and the Partnership shall continue in existence until December 31, 2068, or such later date as is agreed to by all the Partners, unless it is earlier dissolved and terminated pursuant to the provisions of this Partnership Agreement.

§1.11 Definitions. All capitalized words and phrases used in this Partnership Agreement (other than the full names and addresses of the Partners and governmental subdivisions and agencies) shall have the meanings set forth in Appendix I.

ARTICLE 2: CAPITAL CONTRIBUTIONS

§2.1 General Partner's Capital Contributions.

(a) The General Partner has made or shall make upon the execution of this Partnership Agreement, a cash Capital Contribution to the Partnership in the amount of \$100 and, upon the execution hereof, shall provide documentation that the Capital Contribution has been made.

(b) The General Partner has assigned and hereby assigns and has caused and shall cause its Affiliates to assign to the Partnership all of their respective rights, title and interest in, to and under all agreements, licenses, approvals, permits, Tax Credit allocations and any other tangible or intangible personal property which is related to the Project or which is required to permit the Partnership to pursue its business and carry out its purposes as contemplated in this Partnership Agreement. The General Partner's Capital Account shall not be credited with any amount as a result of its assignment to the Partnership of the various items referred to in the immediately preceding sentence.

(c) The General Partner shall, on the earlier of (i) the maturity date of the Development Note, or (ii) the ninetieth (90th) day following the earlier of (A) the date upon which there is a liquidation of the Partnership (within the meaning of Regulations §1.704-1(b)(2)(ii)(g)), or (B) the date upon which the General Partner's interest in the Partnership is liquidated (within the meaning of Regulations §1.704-1(b)(2)(ii)(g)), make an additional Capital Contribution to the Partnership in the amount of the outstanding indebtedness of the Development Note, the proceeds of which Capital Contribution shall be used by the Partnership to pay the Development Note.

§2.2 Limited Partner's Capital Contributions.

(a) The Limited Partner has agreed to make Capital Contributions to the Partnership in the aggregate amount of \$4,988,215. Subject to §5.10 hereof and the other terms and conditions of this Partnership Agreement, the Limited Partner's Capital Contributions shall be made as follows:

(1) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership \$1,247,054 in cash (the "First Installment"):

(i) The Limited Partner's counsel has confirmed that it is in a position to issue a legal opinion in form and substance acceptable to the Limited Partner stating that (I) the Partnership will be taxed as a partnership and not as an "association" for federal income tax purposes, and (II) the significant tax benefits contemplated by the Financial Forecasts for the Partnership and the Project, in the aggregate, should be realized;

(ii) The Limited Partner's receipt and review of a legal opinion in form and substance acceptable to the Limited Partner from the General Partner or the Partnership's counsel stating that (I) the Partnership is a validly formed and duly-qualified limited partnership pursuant to the terms

of the Act, (II) the Limited Partner's liability to creditors of the Partnership is limited to the amount of its Capital Contribution, plus the amount of any deficit restoration obligation specifically agreed to be paid by the Limited Partner pursuant to §10.4, plus any amount required to be repaid by the Limited Partner to the Partnership pursuant to §6.1 hereof and the Act, (III) the Limited Partner will not be personally liable for repayment of any loans to the Partnership, (IV) following Construction Completion and conversion of all financing to its permanent phase, and excepting environmental indemnities and customary non-recourse carveout guaranties, no Partner or any affiliate of any Partner has or will have any personal liability on the Permanent Loan or the Secondary Loan; (V) any general partner of the Partnership which is not an individual is duly formed, validly existing, in good standing and authorized to act as a general partner of the Partnership, (VI) each of the Permanent Loan and Secondary Loan is or will be (assuming each of the Permanent Loan and Secondary Loan is closed pursuant to the terms and conditions outlined in the commitment letter for said loan) non-recourse as to the Partnership; (VII) the Partnership has received a valid reservation/carryover allocation of Tax Credits, (VIII) any guarantor which is not an individual is duly formed, validly existing, in good standing and authorized to deliver its guaranty, (IX) the Partnership will be treated as the owner of the Project for federal income tax purposes, and (X) such other opinions as the Limited Partner may reasonably request. Such opinion may be subject to assumptions and qualifications reasonably acceptable to the Limited Partner;

(iii) The Limited Partner's receipt and satisfactory review of those items that would normally be reviewed in connection with a rehabilitation/acquisition financing (e.g., appraisal, evidence of hazard and general liability insurance, survey, evidence of zoning compliance, environmental audit and evidence of availability of public utilities, building permits and plans and specifications). Also the Limited Partner's receipt, review and approval of an ALTA Owner's title insurance policy (including, without limitation, Fairway, non-imputation, comprehensive, survey, and access endorsements) from a title insurance company acceptable to the Limited Partner insuring (in an amount equal to the total Project cost) that the Partnership owns its interest in the Project, free and clear of all liens and encumbrances other than those expressly agreed to in writing by the Limited Partner;

(iv) The Limited Partner's receipt of a binding written commitment from a lender or lenders acceptable to the Limited Partner stating that such lender or lenders will provide the Permanent Loan and Secondary Loan to the Partnership upon terms and conditions satisfactory to the Limited Partner, and the closing of the Permanent Loan, the Secondary Loan and the Tax Exempt Loan, each on terms and conditions satisfactory to the Limited Partner and the admission of the Limited Partner into the Partnership;

- (v) The Limited Partner's receipt of all building permits;
- (vi) The Limited Partner's receipt and approval of evidence that the Project will meet the requirements of the Fifty Percent Test and at least 95% of the costs paid from the proceeds of the Permanent Loan are "good costs";
- (vii) The Limited Partner's receipt of the draft, executable HAP Contract; and
- (viii) The Limited Partner's receipt and approval of a copy of the Preliminary Determination Letter; and
- (ix) The Limited Partner's receipt of the tenant relocation plan.

\$60,000 of the proceeds of the First Installment shall be paid to the Limited Partner in satisfaction of the Due Diligence Fee and, notwithstanding the conditions set forth above, shall be paid upon the execution of this Partnership Agreement. \$1,890 of the proceeds of the First Installment shall be used to pay the Tenant File Review Fee and \$5,000 of the proceeds of the First Installment shall be used to fund a portion of the Operating Reserve. The balance of the First Installment proceeds shall be used as needed to meet the requirements of the closings of the Permanent Loan and to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership's satisfaction of the conditions specified in the Permanent Loan documents and Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(2) \$748,232 upon the latest to occur of: (i) August 1, 2019, (ii) receipt by the Limited Partner of a certification from the Project Architect that 25% of the Project construction has been completed, (iii) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties contained herein are true and correct; (iv) receipt of the fully executed HAP Contract; and (v) satisfaction of all of the conditions to the payment of all prior installments (the "Second Installment"). The proceeds of the Second Installment shall be used to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership's satisfaction of the conditions specified in the Permanent Loan documents and Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(3) \$1,247,054 upon the latest to occur of: (i) October 1, 2019; (ii) receipt by the Limited Partner of a certification from the Project Architect that 50% of the Project construction has been completed, (iii) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties

contained herein are true and correct; and (iv) satisfaction of all of the conditions to the payment of all prior installments (the “Third Installment”). The proceeds of the Third Installment shall be used to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership’s satisfaction of the conditions specified in the Permanent Loan documents and Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(4) \$748,232 upon the latest of: (i) November 1, 2019; (ii) receipt by the Limited Partner of a certification from the Project Architect that 75% of the Project construction has been completed, (iii) receipt and approval by the Limited Partner of copies of all First Year Tenant Files available at such time, including first year unit transfers (the General Partner acknowledges that the Limited Partner shall have at least 30 calendar days to review and provide comments to the First Year Tenant Files and that the applicable Limited Partner Capital Contribution installment will not be disbursed until such time as the Limited Partner has approved the First Year Tenant Files); (iv) receipt and approval by the Limited Partner of the executed Development Note, (v) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties contained herein remain true and correct; and (vi) satisfaction of all of the conditions to the payment of all prior installments (the “Fourth Installment”). The proceeds of the Fourth Installment shall be used to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership’s satisfaction of the conditions specified in the Permanent Loan documents and Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(5) \$249,411 upon the latest of: (i) January 1, 2020; (ii) receipt by the Limited Partner of final certificates of occupancy or other local approvals, if any, required for all buildings in the Project; (iii) receipt by the Limited Partner of a certification from the Project Architect that the Project has been substantially completed in accordance with the Plans and Specifications; (iv) receipt by the Limited Partner of satisfactory evidence of completion of all environmental remediation as recommended in the environmental Reports, including, without limitation, O&M plans, if any; (v) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties contained herein remain true and correct; and (vi) satisfaction of all of the conditions to the payment of all prior installments (the “Fifth Installment”). \$12,984 of the proceeds of the Fifth Installment shall be used to pay a portion of the Development Fee. The remaining proceeds of the Fifth Installment shall be used to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership’s satisfaction of the conditions specified in the Permanent Loan documents and

Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(6) \$448,939 upon the latest of: (i) July 1, 2020; (ii) receipt by the Limited Partner of evidence reasonably satisfactory to the Limited Partner of 100% Qualified Occupancy and 90% actual economic occupancy of the Project; (iii) receipt by the Limited Partner of evidence reasonably satisfactory to the Limited Partner that the Partnership has achieved Breakeven Operations; (iv) receipt by the Limited Partner of evidence reasonably satisfactory to the Limited Partner that the Partnership has achieved a 1.15 to 1 Debt Coverage Ratio for the three consecutive months immediately prior to the payment of this installment; (v) receipt by the Limited Partner of a final cost certification of the Eligible Basis available for Tax Credits prepared by the Accountant; (vi) receipt by the Limited Partner of evidence that all materials have been submitted requesting IRS Form(s) 8609 for all buildings constituting the Project, provided, however that if the Partnership has already received such Form(s) 8609 and Schedule A at the time of this Sixth Installment, that such Form(s) 8609 shall be delivered to the Limited Partner as condition to this Sixth Installment; (vii) receipt by the Limited Partner of a copy of the Restrictive Covenant recorded in the land records of the City of New Haven, Connecticut; (viii) receipt by the Limited Partner of copies of all First Year Tenant Files not received at the time of the Fourth Installment, including first year unit transfers and approval by the Limited Partner of copies of all First Year Tenant Files (the General Partner acknowledges that the Limited Partner shall have at least 30 calendar days after receipt of the last file to review and provide comments to the First Year Tenant Files and that the applicable Limited Partner Capital Contribution installment will not be disbursed until such time as the Limited Partner has approved the First Year Tenant Files); (ix) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties contained herein remain true and correct; and (x) satisfaction of all of the conditions to the payment of all prior installments (the "Sixth Installment"). \$151,313 of the proceeds of the Sixth Installment shall be used to pay a portion of the Development Fee and \$297,626 of which will be used to fund the remaining portion of the Operating Reserve. The remaining proceeds of the Sixth Installment shall be used to pay for Project construction and other costs upon submission by the General Partner to the Limited Partner of a Form of Requisition in the form attached hereto as Appendix IV as well as all attachments required by the Form of Requisition, and the Partnership's satisfaction of the conditions specified in the Permanent Loan documents and Funding Loan Agreement for Permanent Loan rehabilitation reserve disbursements.

(7) \$299,293 upon the latest of: (i) July 1, 2020; (ii) receipt by the Limited Partner of copies of IRS Form(s) 8609, along with Schedule A, for all buildings constituting the Project, which Form(s) 8609 shall evidence that all of the buildings in the Project have been allocated Tax Credits; (iii) receipt by the Limited Partner of the Partnership's federal income tax return and audited financial statements for 2019; (iv) receipt by the Limited Partner of a certification by the General Partner that its representations and warranties contained herein remain true

and correct; and (v) satisfaction of all of the conditions to the payment of all prior installments (the “Seventh Installment”). The proceeds of the Seventh Installment shall be used to pay a portion of the Development Fee.

(b) In the event that the amount of Actual Tax Credits that will be available, based upon the actual Qualified Basis as of the end of the first year of the Credit Period, the actual Applicable Percentage and final allocation of Tax Credits, is greater than the Projected Tax Credits, as evidenced on the Limited Partner’s Form K-1 from the Partnership, the Limited Partner may elect, in its sole judgment, to increase its Capital Contribution in an amount equal to the product of (i) the amount by which the Actual Tax Credits are or will be greater than the Projected Tax Credits over the Credit Period and (ii) \$0.97 (Upward Basis Adjuster); provided, however, that the aggregate amount of the increase in the Limited Partner’s Capital Contribution under this §2.2(b) shall be capped at 5% of its original Capital Contribution amount. The Upward Basis Adjuster shall be paid by the Limited Partner concurrently with the Seventh Installment.

(c) The obligation to pay the amounts due under §2.2(a) and (b) shall be expressly conditioned upon each of the following requirements being satisfied at all times prior to and including the due dates of the aforesaid payments:

(i) The General Partner shall have complied in all material respects with all of its covenants and obligations set forth in this Partnership Agreement (including without limitation, those covenants and obligations set forth in §5.3); and

(ii) The General Partner shall have complied in all material respects with furnishing the Limited Partner any reports or other information required to be provided by the General Partner pursuant to Article 7 hereof; and

(iii) There has been no change in any law or regulation which would adversely affect the ability of the Partnership to generate Tax Credits.

(d) The General Partner shall deliver to the Limited Partner, not more than thirty (30) days nor less than twenty (20) days prior to the due date of each installment of the Limited Partner’s Capital Contribution, the General Partner’s written certification that each of the conditions set forth above has been satisfied.

§2.3 Interest on Capital Contributions. No Partner shall be paid interest on its Capital Contribution.

§2.4 Withdrawal and Return of Capital Contributions. No Partner shall have the right: (a) to withdraw any part of its Capital Contribution from the Partnership; (b) to demand a return of its Capital Contribution; or (c) to receive property other than cash in return for its Capital Contribution.

§2.5 Capital Accounts.

(a) The Partnership shall maintain for each Partner a separate capital account in accordance with §1.704-1(b) of the Regulations. The Capital Account of each Partner shall consist of the amount of its Capital Contribution, and shall be (1) increased by (i) the fair market value of any property contributed by it to the Partnership, (ii) the amount of any Partnership liability assumed by such Partner or which is secured by any Partnership Property distributed to such Partner, and (iii) its allocable share of Profits and any items of income or gain specially allocated to it pursuant to §§3.2 (d) through (l), and (2) decreased by (i) the amount of any cash distributed to it, (ii) the fair market value of any Partnership Property distributed to it, (iii) the amount of any liability of such Partner assumed by the Partnership or which is secured by any property contributed by such Partner to the Partnership, and (iv) its allocable share of Losses and any items of loss or deduction specially allocated to it pursuant to §§3.2 (d) through (l).

(b) If any Partnership Interest is transferred in accordance with the terms of this Partnership Agreement, then the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Partnership Interest. Upon the occurrence of any of the following events and if required to cause the provisions herein regarding the maintenance of Capital Accounts to comply with §1.704(b) of the Regulations, the Partnership Property shall be revalued and the Partners' Capital Accounts adjusted to reflect the gain (or loss) that would have been allocated to each Partner if all the Partnership Property had been sold at its fair market value immediately prior to the occurrence of such event:

(1) The acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution;

(2) The distribution by the Partnership to a Partner of more than a de minimis amount of property or money in consideration for an interest in the Partnership; or

(3) The "liquidation" of the Partnership within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations, other than a "liquidation" resulting from a termination under §1.708-1(b)(1)(ii) of the Regulations.

The revaluation of the Partnership Property referred to in the immediately preceding sentence shall be made in accordance with §1.704-1(b)(2)(iv)(f) of the Regulations.

The foregoing provisions and all other provisions of this Partnership Agreement relating to the maintenance of Capital Accounts are intended to comply with §1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent with such Regulations.

§2.6 Partnership Loans. Subject to the limitations set forth in §5.2(f), if from time to time funds are needed by the Partnership in excess of those provided by the Permanent Loan, Secondary Loan, projected deferred portion of the Development Fee, Capital Contributions of the Partners, and funds required to be provided by the General Partner or any Affiliate of the General

Partner pursuant to any obligation hereunder or any other agreement (such as pursuant to §§5.4(f) and (h)), such additional funds may be loaned to the Partnership by Partners or other persons, organizations or institutions at an interest cost to the Partnership and upon such terms, as agreed upon by the General Partner in its reasonable discretion, subject to compliance with the terms of existing loan agreements and this Partnership Agreement. Any such loans made by a Partner or an Affiliate of a Partner shall be unsecured and shall not bear interest in excess of the Prime Rate. In the event that the Partnership requires funds as described in this §2.6 and a Partner or one of its Affiliates offers to make a loan of such funds, pursuant to the terms of this §2.6, the General Partner shall accept, on behalf of the Partnership, such loan. Any Partner making any loan to the Partnership shall be considered as a general creditor of the Partnership and not as a Partner. Any loan made hereunder by a Partner shall be paid as provided in §4.1 and §4.2 hereof.

§2.7 Additional Capital Contributions. Except as expressly provided in this Partnership Agreement, no Partner shall be obligated to make contributions to the capital of the Partnership.

§2.8 Default by Limited Partner.

(a) If the Limited Partner fails to pay a Capital Contribution installment when due, the General Partner shall provide to the Limited Partner written notice of such failure (“First Notice”). If the Limited Partner’s failure to pay a Capital Contribution installment continues for ten (10) days following the Limited Partner’s receipt of the First Notice, the General Partner shall send a second written notice of such failure to the Limited Partner (“Second Notice”), which Second Notice shall contain the following language in all capital letters and in a font at least as large as all surrounding text: “FAILURE TO RESPOND TO THIS NOTICE WILL RESULT IN KEY COMMUNITY DEVELOPMENT CORPORATION (“KCDC”) BEING IN DEFAULT AND MAY RESULT IN THE SALE OF KCDC’S INTEREST IN ST. MARTINS PRESERVATION II LIMITED PARTNERSHIP” If the Limited Partner’s failure to pay a Capital Contribution installment continues for a period of five (5) days following the Limited Partner’s receipt of the Second Notice and the Limited Partner has not provided written notice to the General Partner that the Limited Partner disputes that a Capital Contribution installment is then due from the Limited Partner (“Dispute Notice”), the Limited Partner shall be in default (“Default”) of its obligations under this Operating Agreement. If the Limited Partner has timely delivered a Dispute Notice, then the Limited Partner shall not be in Default and the Partners shall promptly meet in good faith to attempt to resolve the dispute over whether the Limited Partner has failed to pay a Capital Contribution installment (“Dispute”). If the Partners are unable to resolve the Dispute within thirty (30) days from the date of the Dispute Notice, then each Partner shall have the right to pursue any remedy available to it at law or in equity to resolve the Dispute.

(b) Upon the occurrence of a Default, the amount of the Limited Partner’s unpaid Capital Contribution installment then due (“Default Amount”) shall become immediately due and payable along with interest at a rate equal to the interest rate on the Permanent Loan. Upon the occurrence and during the continuance of a Default, the General Partner shall be entitled to take all actions available to the Partnership, including, without limitation, instituting a suit at law or equity to enforce payment of the Default Amount and accrued interest. Such

Default may be cured by payment of the sum then owing, including accrued interest. Notwithstanding any provision of Section 2.8(b), upon payment of all amounts owed pursuant to the terms of this Section 2.8(b), the Limited Partner shall be fully reinstated to its former interest in the Partnership, including but not limited to the Limited Partner's former share of Profits, Losses, distributions and Tax Credits.

(c) Without limiting the availability of any other remedies available to the Partnership or the General Partner, if a Default occurs the Limited Partner shall not be allocated or receive during the continuance of such Default any Profits, Losses, distributions and Tax Credits which would have been allocated or distributed to the Limited Partner but for such Default.

ARTICLE 3: ALLOCATION OF PROFITS, LOSSES AND TAX CREDITS

§3.1 Profit and Loss Allocations. Except as otherwise provided in §3.2, Profits and Losses for any fiscal year of the Partnership shall be allocated among the Partners in accordance with the following percentages:

General Partner	0.01%
Limited Partner	<u>99.99%</u>
Total	100.00%

§3.2 Special Allocations. Notwithstanding anything to the contrary contained in §3.1, the following special allocations shall in all events apply in determining the allocation of Profits and Losses among the Partners and shall be made prior to the allocations required under §3.1.

(a) **Depreciation and Tax Credits.**

(i) Depreciation (cost recovery) deductions and Tax Credits shall be allocated 0.01% to the General Partner and 99.99% to the Limited Partner.

(ii) Any recapture of Tax Credits shall be allocated to the Partners 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.** To the extent the allocation of any Losses to the Limited Partner would cause the Limited Partner to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Partnership, then such Losses shall not be allocated to the Limited Partner, but rather shall be specially allocated to the General Partner.

(c) **Profit Chargeback.** To the extent any Losses have been allocated to the General Partner in accordance with subparagraph (b) of this §3.2, then Profits shall thereafter first be specially allocated to the General Partner in proportion to and in an amount up to but not exceeding the amount of any such allocations of Losses made to the General Partner under such subparagraph (b).

(d) **Partnership Minimum Gain Chargeback.** Notwithstanding any other provision of this Article 3, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, then each Partner shall be specially allocated items of Partnership income or gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to the portion of such Partner's share of the net decrease in the Partnership Minimum Gain (determined in accordance with §1.704-2(g) of the Regulations). Any allocations made pursuant to this subparagraph (d) shall be made in proportion to the respective amounts required to be allocated to each of the Partners pursuant thereto. The items of Partnership income or gain to be specially allocated under this subparagraph (d) shall be determined in accordance with §1.704-2(f) of the

Regulations. This subparagraph (d) is intended to comply with the minimum gain chargeback requirements of §1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(e) **Partner Minimum Gain Chargeback.** Notwithstanding any other provision of this Article 3 (except subparagraph (d) of this §3.2), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, then each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with §1.704-2(i)(5) of the Regulations) shall be specially allocated items of Partnership income and gain for such fiscal year (and if necessary, subsequent fiscal years) in an amount equal to the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with §1.704-2(i)(4) of the Regulations). Any allocations made pursuant to this subparagraph (e) shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items of Partnership income or gain to be specially allocated under this subparagraph (e) shall be determined in accordance with §1.704-2(i)(4) of the Regulations. This subparagraph (e) is intended to comply with the minimum gain chargeback requirements of §1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(f) **Qualified Income Offset.** If the Limited Partner 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 Partnership income or gain shall be specially allocated to the Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Limited Partner as quickly as possible. The special allocations required pursuant to this subparagraph (f) shall be made only if and to the extent that the Limited Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 3 have been tentatively made as if this subparagraph (f) were not in the Partnership Agreement. This subparagraph (f) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(g) **Gross Income Allocation.** If the Limited Partner has a deficit balance in its Capital Account at the end of any Partnership fiscal year which exceeds the sum of (i) the amount the Limited Partner is obligated to restore pursuant to any provision of this Partnership Agreement and (ii) the amount the Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of §1.704-2(g)(1) and §1.704-2(i)(5) of the Regulations, then the Limited Partner shall be specially allocated items of Partnership income or gain in the amount of such excess as quickly as possible. The special allocations required pursuant to this subparagraph (g) shall be made only if and to the extent that the Limited Partner would have a deficit Capital Account in excess of the aforementioned sum after all of the allocations provided for in this Article 3 have been tentatively made as if subparagraph (f) and this subparagraph (g) were not in the Partnership Agreement.

(h) **Nonrecourse Deductions.** Nonrecourse Deductions shall be specially allocated among the Partners in accordance with the same percentages set forth in §3.1 with respect to Profits and Losses.

(i) **Partner Nonrecourse Deductions.** Partner Nonrecourse Deductions shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with §1.704-2(i) of the Regulations.

(j) **§754 Adjustment.** To the extent an adjustment to the adjusted tax basis of any Partnership 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 Partners under §1.704-1(b)(2)(iv)(m) of the Regulations, then the amount of such adjustment to the Capital Accounts shall 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 shall be specially allocated to the Partners 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) **Imputed Interest.** To the extent the Partnership has taxable interest income with respect to any Capital Contribution pursuant to §483 or §§1271 through 1288 of the Code, then (i) such interest income shall be specially allocated to the Partner to whom such Capital Contribution relates, and (ii) an amount equal to such interest income shall be excluded from the Capital Contributions credited to such Partner's Capital Account in connection with the payments of principal with respect to such Capital Contribution.

(l) **Curative Allocations.** The special allocations set forth in subparagraphs (d) through (i) of this §3.2 are intended to comply with the requirements of §1.704-1(b) of the Regulations. These special allocations may lead to results which are inconsistent with the Partners' intentions concerning their sharing in Partnership distributions. Accordingly, the General Partner is hereby authorized and directed to specially allocate other items of Partnership income, gain, loss and deduction among the Partners so as to prevent the special allocations required under subparagraphs (d) through (i) of this §3.2 from distorting the Partners' understanding of the manner in which Partnership distributions are to be made to the Partners upon the dissolution and termination of the Partnership. In general, it is anticipated that the special allocations, if any, which will be made under this subparagraph (l) will be made by specially allocating other items of Partnership income, gain, loss and deduction among the Partners so that the sum of the special allocations made to each Partner pursuant to subparagraphs (d) through (i) of this §3.2 equals the sum of the special allocations made under this subparagraph (l).

(m) **Allocation of Income or Gain from Sales.** All items of Partnership income or gain arising from events resulting in Net Cash from Sales or Refinancings shall be allocated:

(1) first, as specified in §3.2(c) through (g), (j) and (l) and §3.4(c) of this Partnership Agreement;

(2) second, if after the allocation of Profits and Losses for the fiscal year in which the gain arose, the Limited Partner has a negative Capital Account balance, 100% to the Limited Partner until the Limited Partner's negative Capital Account is restored to zero;

(3) third, to the General Partner if after the allocation of Profits and Losses for the fiscal year in which the gain arose, the General Partner has a negative Capital Account balance, until such negative Capital Account balance is restored to zero;

(4) fourth, 99.99% to the Limited Partner and 0.01% to the General Partner until the Limited Partner's positive Capital Account balance equals any amount to be distributed (or, where distributions are to be made pursuant to §10.2(d) or §10.3(a), the amount that would be distributed if, instead, distributions were made) to the Limited Partner pursuant to §§4.2(a)(9);

(5) fifth, to the General Partner until the General Partner's positive Capital Account balance equals any amount to be distributed (or, where distributions are to be made pursuant to §10.2(d) or §10.3(a), the amount that would be distributed if, instead, distributions were made) to the General Partner pursuant to §4.2(a)(8); and

(6) sixth, to the Partners in accordance with the percentages specified in §4.2(b).

(n) **Special Adjustment.** Notwithstanding any provision of this Partnership Agreement to the contrary and prior to making, with respect to a fiscal year, any special allocations set forth in this §3.2, (i) items of expenses and other deductions (other than depreciation, amortization, cost recovery deductions and Nonrecourse Deductions) incurred in such fiscal year for any fiscal year equal to the amount of any loan advances to the Partnership made or required to be made in such fiscal year by the General Partner or any of its Affiliates pursuant to this Partnership Agreement shall be specially allocated to the General Partner making the loan; and (ii) any "cancellation of debt income" (defined in §1.61-12 of the Regulations) arising before the Limited Partner's admission to the Partnership shall be specially allocated to the General Partner

§3.3 Timing of Allocations. Except as otherwise expressly provided herein, all allocations of Profits, Losses and Tax Credits shall be made as of the last day of each fiscal year of the Partnership.

§3.4 Other Allocation Rules. The following rules shall apply for the purpose of interpreting and applying the provisions of this Article 3 relating to the allocation of Profits, Losses and Tax Credits among the Partners:

(a) **Excess Nonrecourse Liabilities.** Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of §1.752 3(a)(3) of the Regulations, the Partners' respective interests

in Partnership Profits shall be those percentage interests set forth in §3.1 (determined without regard to §3.2).

(b) **Effect of Cash Distributions.** To the extent permitted by §1.704-2(h) and §1.704-2(i)(6) of the Regulations, the General Partner shall endeavor to treat distributions of Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for the Limited Partner.

(c) **Recharacterization of Fee as Distribution.** If any fee that is an ordinary and necessary business expense or portion thereof payable to any Partner or any Affiliate thereof is determined to be a nondeductible distribution from the Partnership to a Partner for federal income tax purposes, there shall be allocated to such Partner an amount of gross income equal to such distribution.

§3.5 Tax Effect of Allocations. Except as otherwise required under the second paragraph of this §3.5, the allocation of Profits, Losses and Tax Credits to any Partner under this Article 3 shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such Profits, Losses and Tax Credits, including, without limitation, any “unrealized receivable” or “substantially appreciated inventory item” under §751 of the Code. The Partners are aware of the income tax consequences of the allocations made pursuant to this Article 3 and hereby agree to be bound by the provisions of this Article 3 in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

Notwithstanding anything to the contrary contained in this Article 3, income, gain, loss, deduction and credit with respect to any Partnership Property contributed to the capital of the Partnership by any Partner shall, solely for tax purposes, be allocated among the Partners so as to take into account any variation between the adjusted tax basis of such Partnership Property to the Partnership for federal income tax purposes and the value assigned to such Partnership Property for the purposes of the computation of the Partners’ Capital Accounts. If any revaluation of the Partnership Property is made by the General Partner (which revaluation may only be made with the consent of the Limited Partner) then any subsequent allocations of income, gain, loss, deduction and credit with respect to such Partnership Property shall take into account any variation between the adjusted tax basis of such Partnership Property for federal income tax purposes and the value assigned to such Partnership Property as a result of such revaluation. All allocations required under this paragraph of §3.5 are solely for purposes of federal, state and local income taxes and shall not affect or in any way be taken into account in computing any Partner’s Capital Account or any Partner’s share of Profits, Losses, Tax Credits or other items or distributions required or permitted to be made pursuant to any provision of this Partnership Agreement.

ARTICLE 4: DISTRIBUTIONS AND OTHER PAYMENTS

§4.1 Distribution and Other Payments out of Cash Flow.

(a) Cash Flow shall, prior to the making of any distributions pursuant to §4.1(b) hereof, be paid out in the following order and priority:

(1) First, to the Limited Partner to the extent of any amount to which the Limited Partner is entitled to receive Cash Flow to satisfy any payment required pursuant to §5.10 hereof;

(2) Second, to pay accrued Asset Management Fee, if any;

(3) Third, to the Operating Reserve Account until such time as such account is equal to the Operating Reserve Amount;

(4) Fourth, to pay accrued interest and then principal on the Development Note;

(5) Fifth, to pay accrued deferred management fees of the Management Agent, if any;

(6) Sixth, to pay accrued interest and any principal portion of the Loan Shortfall Note then payable as a result of a Loan Shortfall;

(7) Seventh, to pay or repay in the following order (i) unpaid loans (on a prorata basis) by the Partners pursuant to §2.6 hereof, and (ii) any amounts treated as loans made to the Partnership by the Developer, General Partner or Guarantor pursuant to this Agreement or the Guaranty Agreement;

(8) Eighth, 75% of remaining Cash Flow to repay the Secondary Loan as required or permitted under the Secondary Loan documents; and

(9) Ninth, until the end of the second year after the end of the Compliance Period, 90% of the balance, if any, to the General Partner as a non-cumulative Incentive Partnership Management Fee, up to a maximum of 9% of the Project's Net Effective Income.

(b) After making the payments described in §4.1(a) hereof, the remaining Cash Flow, if any, shall be distributed to the Partners in accordance with the following percentages:

General Partner	90%
Limited Partner	<u>10%</u>
Total	100%

Notwithstanding any other provision of this §4.1 to the contrary, for each fiscal year a sufficient amount of Cash Flow shall be distributed to the Limited Partner such that, when such distribution is added to all other distributions of Cash Flow made to the Limited Partner with respect to such fiscal year, the Limited Partner will have received an amount of Cash Flow equal to at least 10% of all Cash Flow which remains after repayment of the loans referred to in §4.1(a)(8) with respect to such fiscal year.

§4.2 Net Cash from Sales and Refinancings. Except as otherwise provided in Article 10 hereof (pertaining to the liquidation and dissolution of the Partnership), Net Cash from Sales and Refinancings (following payment of all unrelated third party indebtedness) shall be paid or distributed as provided in this §4.2.

(a) **Payments.** Net Cash from Sales and Refinancings shall, prior to making any distributions pursuant to §4.2(b) hereof, be paid out in the following order and priority:

(1) First, to the Limited Partner to the extent of any amount to which the Limited Partner is entitled to receive to satisfy any payment required pursuant to §5.10 hereof;

(2) Second, to fund reserves for contingent or unforeseen liabilities or obligations of the Partnership to the extent deemed reasonable by the General Partner;

(3) Third, to the payment of accrued interest and then principal on the Development Note;

(4) Fourth, to the payment of interest then principal on the Secondary Loan;

(5) Fifth, to pay accrued deferred management fees of the Management Agent, if any;

(6) Sixth, to the payment of any debts and liabilities (including any unpaid fees) owed to the Partners or Affiliates by the Partnership for Partnership obligations; provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) unpaid loans (on a prorata basis) by the Partners pursuant to §2.6 hereof, (ii) unpaid Loan Shortfall Note, (iii) any amounts treated as loans made to the Partnership by the Developer, General Partner or Guarantor pursuant to this Agreement or the Guaranty Agreement;

(7) Intentionally deleted;

(8) Eighth, to the General Partner in an amount equal to the balance, if any, in the Operating Reserve Account upon the sale of the Project or liquidation of the Partnership; and

(9) Ninth, to the payment of the Disposition Fee.

(b) **Distributions.** After making the payments specified in §4.2(a) hereof, the balance of Net Cash from Sales and Refinancings, if any, shall be distributed 90% to the General Partner and 10% to the Limited Partner.

§4.3 Timing of Distributions and Other Payments. Distributions and other payments out of Cash Flow shall be made annually within 90 days after the end of each fiscal year of the Partnership. The determination of the amount of Cash Flow distributable or payable annually under this Article 4 shall be made based upon the state of facts existing on the last day of each fiscal year of the Partnership.

ARTICLE 5: POWERS, RIGHTS AND DUTIES OF GENERAL PARTNER

§5.1 Management of Partnership. The Partnership shall be managed by the General Partner, who shall exercise full and exclusive control over the affairs of the Partnership, subject, however, to the limitations on its authority set forth in this Partnership Agreement (including, without limitation, §§5.2 and 5.3). The General Partner shall be under a fiduciary duty to conduct and manage the affairs of the Partnership in a prudent, businesslike and lawful manner and shall devote such part of its time to the affairs of the Partnership as shall be deemed necessary and appropriate to pursue the business and carry out the purposes of the Partnership as contemplated in this Partnership Agreement. The General Partner shall use its best efforts and exercise good faith in all activities related to the business of the Partnership. Without limiting the generality of the foregoing, the General Partner is specifically authorized to execute, on its own behalf and on behalf of the Partnership, all instruments and agreements required by the Governmental Lender in connection with the closing of the Permanent Loan, including without limitation that certain Assignment of Equity Interests, Pledge and Security Agreement, pursuant to which General Partner has granted a security interest to the Governmental Lender in its partnership interest in the Partnership and various rights related thereto.

§5.2 Restrictions on General Partner's Authority. Notwithstanding anything to the contrary contained in this Partnership Agreement, the General Partner shall not have the authority to take any of those actions specifically set forth below, unless the prior written consent of the Limited Partner is obtained:

- (a) Do any act which is in contravention of or inconsistent with this Partnership Agreement or any other agreement to which the Partnership is a party (including, without limitation, those relating to the Permanent Loan or Secondary Loan;
- (b) Do any act which would make it impossible to carry on the ordinary business of the Partnership;
- (c) Confess a judgment against the Partnership;
- (d) Possess Partnership Property or assign rights in specific Partnership Property for other than a Partnership purpose;
- (e) Sell or otherwise transfer any interest in the Project (other than leases of residential units in the ordinary course of the Partnership's business);
- (f) Incur any liability other than budgeted expenses on behalf of the Partnership in the ordinary course of the Partnership's business in excess of \$25,000 (or enter into any agreement resulting in any such liability being incurred), other than the Permanent Loan, Secondary Loan and those liabilities (or agreements relating thereto) which have theretofore been disclosed to and approved in writing by the Limited Partner;
- (g) Acquire any interest in real property or acquire any item of personal property having a purchase price of more than \$50,000;

(h) Refinance, prepay or modify any mortgage or long term liability of the Partnership, including, without limitation, the Permanent Loan or the Secondary Loan, which consent of the Limited Partner shall not be unreasonably withheld, conditioned or delayed;

(i) Except the Development Agreement enter into any contract with the General Partner or any Affiliate thereof except in full compliance with §5.8 hereof and provided that prior written notice of such contract is provided to the Limited Partner;

(j) Compromise any claim or liability in excess of \$25,000 owed by or to the Partnership;

(k) Make, amend or revoke any tax election required of or permitted to be made by the Partnership under the Code or the Regulations, including, without limitation, any election under §42 or §754 of the Code (provided that the General Partner may cause the Partnership to make the election under §266 of the Code to capitalize certain carrying charges relating to construction and rehabilitation of the Project). In this regard, the General Partner shall make (and the Limited Partner consents thereto) any elections required or permitted under §42 of the Code requested in writing by the Asset Manager provided the same do not result in a loss of Tax Credits;

(l) Change any accounting method or practice of the Partnership;

(m) Take any action which would cause the termination of the Partnership for federal income tax purposes or the dissolution of the Partnership for state law purposes;

(n) Construct any improvements on the Project other than those contemplated in the Plans and Specifications (or any modification thereof if such modification is expressly approved in writing by the Limited Partner);

(o) Use or cause the Project to be used for any purpose other than as a low income housing development as contemplated under §42 of the Code;

(p) Except for the Permanent Loan and Secondary Loan, mortgage, pledge or encumber any interest in any Partnership Property, including, without limitation, the Project;

(q) Loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other Person;

(r) Change the nature of the business or purpose of the Partnership;

(s) Hire or retain any Person to manage the Project or the Partnership's business other than the Management Agent. The management agreement with the Management Agent shall contain the provisions specified in this Partnership Agreement, including those specified under "Management Agent" in the Appendix I hereof;

- (t) Take any action (or fail to take any action) which would cause or result in a breach of any of the representations, warranties or covenants of the General Partner set forth in this Partnership Agreement, including, without limitation, those set forth in §5.3;
- (u) Admit any other person or entity as a Partner;
- (v) Except as permitted by §10.1 hereof (pertaining to dissolution of the Partnership), take any action that will cause the dissolution of the Partnership;
- (w) Perform any act that would subject the Limited Partner to liability as a general partner in any jurisdiction;
- (x) Deposit any Partnership funds in any bank, savings and loan or other financial institution whose accounts are not insured by the Federal Deposit Insurance Corporation;
- (y) Commingle any Partnership funds with the funds of (i) any other corporation, partnership or limited liability company in which the General Partner is a shareholder, partner or managing member, as the case may be, or (2) the General Partner; or
- (z) Execute or deliver any assignment for the benefit of creditors; or
- (aa) Commence on behalf of the Partnership a case in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

§5.3 Representations, Warranties and Covenants of the General Partner. As an inducement to the Limited Partner to enter into this Partnership Agreement and in addition to the representations, warranties and covenants set forth elsewhere in this Partnership Agreement, the General Partner hereby makes the following representations, warranties and covenants to and with the Limited Partner. All of the representations and warranties set forth herein shall be deemed given as of the date hereof and as of every date thereafter throughout the term of the Partnership's existence and may be relied upon by counsel to the Limited Partner in connection with its issuance of a taxation opinion (pursuant to §2.2(a)(1) hereof) relating to the Limited Partner's investment in the Partnership. The General Partner shall fully comply with and abide by all of the covenants set forth herein at all times throughout the term of the Partnership's existence.

- (a) The Partnership has received an allocation or a reservation (and has or will timely comply with all requirements necessary to receive an allocation) of Tax Credits in an amount equal to the Projected Tax Credits;
- (b) At all times following the completion of the contemplated improvements to the Project, the General Partner shall use its best efforts to operate the Project in order to qualify 100% of the residential units in the Project for the Tax Credit with 100% of the tenants thereof qualifying under the appropriate income and rent restrictions of §42 of the Code as the same may be modified pursuant to the Restrictive Covenant (assuming no repeal or amendment of §42 of the Code renders such qualification impracticable);

(c) The General Partner and Guarantor, in the aggregate, have and will at all times maintain an aggregate net worth (exclusive of their investment in the Partnership or any other partnership or limited liability company and of any assets that are required to be maintained to provide net worth for other partnerships or limited liability companies), computed on a market value basis, in excess of the Operating Guaranty Amount;

(d) As of the date of this Partnership Agreement, there are no actions, suits or proceedings pending or, to the General Partner's knowledge, threatened by any person or governmental authority against or affecting the Project, the General Partner or any of its Affiliates that would have a material adverse effect on the Project or the Partnership or on the ability of the General Partner to perform its obligations hereunder and the General Partner shall notify the Limited Partner of any such actions, suits or proceedings within ten (10) days of the General Partner's receipt of notification thereof and the General Partner promptly shall take all requisite action to contest and defend against all such actions, suits or proceedings in conformance with the terms of this Partnership Agreement;

(e) As of the date of this Partnership Agreement, the Partnership is not liable (nor has any material claim been made against it) for any expense, debt, cost, liability or other charge other than costs incurred in connection with the acquisition and rehabilitation of the Project, operating expenses arising in the normal course of business and those relating to the Permanent Loan and Secondary Loan (collectively, the "Excluded Costs"), and the Partnership will not hereafter incur any expense, debt, cost, liability or other charge other than the Excluded Costs without the prior written consent of the Limited Partner;

(f) As of placement in service of the Project and thereafter, all leases will be for an initial term of at least six (6) months;

(g) Except as may be disclosed in the Environmental Report, as of the date of this Partnership Agreement (i) to the best of the General Partner's knowledge the Project is not in violation of any federal, state or local law, ordinance or regulation relating to any environmental conditions on, under or about the Project, including, but not limited to, soil and groundwater conditions, and (ii) to the best of the General Partner's knowledge no Hazardous Substance has been used, generated, manufactured, stored or disposed of on, under or about the Project, or transported to or from the Project, and the General Partner shall notify the Limited Partner of any violation, use, generation, manufacture storage or disposal of Hazardous Substances within ten (10) days of the General Partner becoming aware thereof and the General Partner thereafter shall promptly shall take all requisite action to address such violation and/or remedy such use, generation, manufacture storage or disposal of Hazardous Substances;

(h) In connection with the acquisition and development of the Project, the General Partner undertook all prudent and appropriate inquiry into the previous ownership and uses of the Project consistent with good commercial practice, and such inquiries are sufficient for the Partnership to successfully establish an innocent landowner defense pursuant to §101(35) of CERCLA;

(i) Neither the Partnership nor the General Partner, nor to the best of the General Partner's knowledge any predecessor in title of the Partnership, has given any waiver or release of liability pursuant to CERCLA or any of the aforementioned statutes or any similar applicable state or local law to any person or entity in the chain of title of the Project;

(j) The Partnership is a duly organized limited partnership, validly existing under the Act and has complied with all filing requirements necessary under the Act for the preservation of the limited liability of the Limited Partner;

(k) No event has occurred that has caused and the General Partner will not act in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an "association" taxable as a corporation, rather than as a partnership, or (ii) the Limited Partner to be liable for Partnership obligations in excess of its Capital Contribution, plus the limited dollar amount of any deficit restoration obligation agreed to by the Limited Partner pursuant to §10.4, plus any amount required to be repaid by the Limited Partner to the Partnership pursuant to §6.1 hereof and the Act;

(l) As of the date of this Partnership Agreement, the Partnership owns, and at all times thereafter the Partnership will maintain ownership of, the Project and all personal property used in connection therewith, in fee simple, free and clear of all liens and encumbrances other than mortgages and other security instruments securing any of the Permanent Loan or Secondary Loan and those liens and encumbrances expressly agreed to in writing by the Limited Partner as set forth on the owner's policy of title insurance approved by the Limited Partner or mechanic's liens that have been released within thirty (30) days of the date of filing of such lien;

(m) The Project, as to the construction and leasing thereof, conforms (or will timely conform) in all respects to all applicable federal, state and local laws and regulations, specifically including Section 504 of the Rehabilitation Act, and the Fair Housing Act, and, including, without limitation, all zoning, building, health, fire and environmental rules and regulations and there are no laws, planning rules, regulations, ordinances, requirements or environmental laws, regulations or procedures applicable to the Project that would materially inhibit or materially adversely affect the operation of the Project as a low income housing development; and, the design and construction of the Project proposals renders the Project accessible to and useable by persons with disabilities;

(n) The General Partner has caused and will cause the Partnership to maintain with financially sound insurers with an A. M. Best Co. rating of A or better (i) commercial general liability insurance written on an occurrence basis in a minimum amount of \$2,000,000 for bodily injury and property damage for any single occurrence, and \$4,000,000 in the aggregate (which coverage may be procured via a combination of general liability and umbrella liability); (ii) special form property insurance insuring against any of the risks covered by insurance known as "coverage against all risks of physical loss," including, without limitation, fire, casualty, extended coverage perils, earthquakes and floods, in an amount equal to the replacement value of the Project with the exception of earthquake and flood which shall be in an amount mutually agreeable; (iii) rent loss

insurance in an amount equal to not less than 12 months' gross rents of the Project; (iv) worker's compensation insurance of not less than the statutory minimum and employer's liability insurance (if not available under the state workers' compensation insurance program) in a minimum amount of \$1,000,000; (v) during the construction of the contemplated improvements to the Project, "all-risks" builder's insurance (on a completed value form), in an amount equal to the completed construction value, including soft cost coverage, with an agreed amount endorsement (equal to at least the completed replacement cost); (vi) automobile liability insurance in a minimum amount of \$1,000,000 for bodily injury and property damage combined single limit covering all owned, non-owned and hired vehicles; (vii) such other and additional insurance against risks that are of a character usually insured by Persons engaged in a business similar to that being conducted by the Partnership, in such form and amount and covering such risks as is usually carried by such Persons; and (viii) such other and additional insurance as is required by the terms of the Permanent Loan, Secondary Loan, or any other loan or agreement to which the Partnership is a party. The Limited Partner shall be named an additional insured for each policy, and each policy shall provide that the Limited Partner must receive not less than thirty (30) days written notice prior to the lapse or cancellation of the policy. In the event of a casualty loss, the General Partner agrees to cause the damaged building or buildings to be rebuilt within such time period as will prevent the recapture of Tax Credits claimed by the Limited Partner;

(o) Neither the Permanent Loan, Secondary Loan, nor any other loan or agreement to which the Partnership is a party, nor the General Partner's performance of its obligations thereunder or hereunder, will violate or constitute a default under any provision of law, order of court, indenture or other instrument affecting the General Partner, the Partnership or the Project or, except for the Permanent Loan and Secondary Loan, result in the creation or imposition of any lien, charge or encumbrance on the Project;

(p) The General Partner has sent (or as soon as available will send) to the Limited Partner 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 documents pertaining to the Permanent Loan and Secondary Loan and any other information reasonably requested by the Limited Partner which is relevant to the construction and development of the Project;

(q) All material information concerning the Project known to the General Partner or any of its Affiliates at the time of execution of this Partnership Agreement has been disclosed by the General Partner to the Limited Partner and there are no facts or information known to the General Partner or any of its Affiliates at the time of execution of this Partnership Agreement which would make any of the facts or information submitted by the General Partner to the Limited Partner with respect to the Project inaccurate, incomplete or misleading in any material respect;

(r) Neither the Partnership nor any Partner has or will have direct or indirect personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest or any other sum due under the Permanent Loan or Secondary Loan;

(s) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken pertaining to the Partnership by the General Partner have been or will be duly authorized by all necessary corporate or other action and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the organizational documents of the General Partner or any agreement by which the General Partner or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree;

(t) Except for the Secondary Loan and as otherwise expressly provided herein, neither the Partners nor any Affiliate of a Partner will be a lender to the Partnership unless, based upon the advice of tax counsel or adviser satisfactory to the Limited Partner, such loan will not likely adversely affect or cause a material re allocation among the Partners of Tax Credits or Profits and Losses;

(u) The General Partner has no knowledge of, and has received no notices with respect to any violations by the Partnership or the Project of federal or state law or municipal ordinances or orders or requirements of any governmental body or authority in whose jurisdiction the Project is subject and if any such notice is received the General Partner will promptly deliver a copy to the Limited Partner;

(v) There is no default by the Partnership existing, pending or threatened under any provision of the Permanent Loan, Secondary Loan or any other agreement to which the Partnership is a party and the General Partner will take all requisite action to comply with the provisions of all such loans and agreements; and, if any such default is alleged, the General Partner shall notify the Limited Partner of such alleged default within ten (10) days of the General Partner's receipt of notification hereof;

(w) All appropriate roadway and public utilities, including, without limitation, sanitary and storm sewers, water, telephone and electricity, are available to the Project, and all easements required in connection therewith have been obtained and filed of public record and the General Partner will use its best efforts to keep all such utilities operating in a manner sufficient to service the Project and the residential units contained therein;

(x) The construction of the Project will be completed in a timely and workmanlike manner and in compliance with: (i) applicable requirements of the Permanent Loan and Secondary Loan; (ii) the Plans and Specifications; and (iii) the requirements of all governmental agencies with jurisdiction over the Project and the development and construction thereof;

(y) All building permits, environmental permits or other clearances, easements and governmental permits, licenses and approvals required in connection with the construction, ownership, operation, use and occupancy of the Project and all residential units contained therein, have been or will be timely obtained and the General Partner shall take all actions necessary to maintain such approvals in full force and effect;

(z) No portion of the Project is or will be treated as “tax exempt use property” as defined in §168(h) of the Code;

(aa) The General Partner is not presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Project or any portion thereof, except for arrangements disclosed in writing to the Limited Partner prior to the date hereof;

(bb) No portion of the Project is federally subsidized as defined in §42(i)(2) of the Code;

(cc) The General Partner is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Connecticut and the General Partner will acquire no real estate or other significant asset and conduct no other business, operation or activity other than owning its Partnership Interest and acting as the general partner of the Partnership;

(dd) The General Partner has previously provided a true, complete and current copy of the Partnership’s original limited partnership agreement, together with all amendments thereto to the Limited Partner, which original limited partnership agreement and amendments delivered to the Limited Partner reflects all agreements among the partners of the Partnership prior to its amendment hereby;

(ee) The execution and delivery of this Partnership Agreement and each of the other documents and agreements described in or contemplated by this Partnership Agreement by the General Partner, and the performance of the transactions contemplated herein and in each such other document have been duly authorized by all requisite corporate and/or limited liability company actions, and will not result in the breach of or default under any agreement, mortgage or other instrument to which the General Partner is a party or by which the General Partner is bound;

(ff) This Partnership Agreement is binding upon and enforceable against the General Partner in accordance with its terms;

(gg) The General Partner will not permit the transfer of any interest in itself or in any shareholders, partners or members of the General Partner or their constituents that would result in the Guarantors no longer having decision-making authority for the General Partner without the consent of the Limited Partner, which consent shall not be unreasonably withheld;

(hh) The General Partner will not, and will cause the Management Agent not to, (i) cause or permit any waste or damage to the Project, (ii) allow any tenant to use a residential unit within the Project or any of the common areas in any manner which is unlawful, hazardous, unsanitary, noxious or offensive or which unreasonably interferes with the use of the Project by the other tenants;

(ii) The General Partner will maintain the Project to the extent of available funds;

(jj) The Project shall be operated in accordance with, and residential units within the Project leased in compliance with, the Restrictive Covenant;

(kk) To the best of the General Partner's knowledge the Financial Forecasts attached hereto as Appendix II, and the financial assumptions upon which such Financial Forecasts are based, are reasonable and the currently available factual information set forth therein is true and correct in all material respects as of the date of this Partnership Agreement;

(ll) The General Partner shall provide written notice to the Limited Partner at least 45 days in advance of the next scheduled payment on the Permanent Loan if the General Partner reasonably believes that the Partnership will not have sufficient funds to make such payment;

(mm) The General Partner will provide the Limited Partner a certification of the Eligible Basis available for Tax Credits as prepared by the Accountant within one hundred twenty (120) days after Construction Completion;

(nn) The General Partner will provide the Limited Partner a certification of the General Partner and such evidence as is reasonably requested by the Limited Partner that all of the housing units in the Project are Tax Credit qualified within sixty (60) days after Qualified Occupancy;

(oo) The General Partner will provide the Limited Partner copies of (A) IRS Forms 8609 for all buildings constituting the Project promptly following receipt, which Forms 8609 shall evidence that all of the buildings in the Project have been allocated Tax Credits, and (B) evidence reasonably satisfactory to the Limited Partner of the number of units in the Project for which there is Qualified Occupancy within one hundred twenty (120) days after Construction Completion;

(pp) The General Partner will provide the Limited Partner all first year tenant files, including first year unit transfers within sixty (60) days after Qualified Occupancy, which files shall be reviewed and accepted by the Limited Partner;

(qq) The development of the Project shall be completed in accordance with the Environmental Reports, and in accordance with all federal, state and local laws and regulations regarding safety conditions for and maintenance of asbestos containing materials;

(rr) The General Partner, on behalf of the Partnership, shall elect the accrual method of accounting for federal income tax purposes; and

(ss) Neither the General Partner nor any of the principals of the General Partner are listed on the list of Specially Designated Nationals and Blocked Persons promulgated by the United States Department of the Treasury;

(tt) The General Partner shall provide to the Limited Partner a copy of the fully executed Restrictive Covenant recorded in the City of New Haven, Connecticut real property records within 14 days after such recordation;

(uu) At least 50% of the aggregate basis of the Project's land and buildings will be financed with the proceeds of the Permanent Loan, the interest on which is exempt from taxation under Section 103 of the Code, and is within the State of Connecticut's volume cap as provided in Section 146 of the Code, all in accordance with Section 42(h)(4) of the Code; and

(vv) The General Partner shall provide to the Limited Partner within 150 days after Construction Completion (except to the extent delayed through no fault of the General Partner or its Affiliates) a copy of the Final Determination Letter from the Issuer or State Housing Finance Agency in form and substance reasonably satisfactory to the Limited Partner;

(ww) Prior to the time the Project was acquired by the Partnership, it has been more than ten (10) years since the Project was last placed in service for federal tax purposes and the acquisition of the Project Property was acquired from an unrelated party, in accordance with Code Section 42(d)(2)(B).

§5.4 Specific Obligations of General Partner. The General Partner shall, on behalf of and in the name of the Partnership and in addition to any obligations placed upon them elsewhere in this Partnership Agreement, have the following specific obligations.

(a) **Securities Law Matters.** The General Partner shall prepare and file all appropriate reports for the Partnership with the Securities and Exchange Commission and state securities administrators, if any.

(b) **Limited Partnership Status.** The General Partner shall (i) file such certificates and do such other acts as may be required to qualify and maintain the Partnership as a limited partnership under the Act and to qualify the Partnership to transact business in all such jurisdictions as may be required under applicable provisions of law and (ii) take or cause the Partnership to take all reasonable steps deemed necessary by counsel to the Partnership to assure that the Partnership is at all times classified as a partnership for federal income tax purposes.

(c) **Partnership Representative.**

(1) Subject to the terms and conditions of this Section 5.4(c), the General Partner shall serve as the partnership representative of the Partnership ("Partnership Representative") pursuant to Section 6223(a) of the Code for all taxable years for which it remains the General Partner of the Partnership, provided that it qualifies as a partnership representative under Section 6223(a) of the Code. The General Partner will nominate an individual through whom the Partnership Representative proposes to act at any time for all purposes of the Revised Audit Procedures, which nominated individual shall be subject to the Limited Partner's review and approval in its sole discretion (as approved by the

Limited Partner, the “Designated Individual”). The Limited Partner in its sole discretion shall appoint a Partnership Representative or replacement Partnership Representative and Designated Individual of the Partner for all taxable years of the Partnership if, at any time, the General Partner does not qualify as a partnership representative under the Code.

(i) Subject to the limitations set forth in this Agreement, the Partnership Representative and Designated Individual shall have all of the power and authority of a partnership representative and designated individual, respectively, under the Revised Partnership Audit Procedures and shall represent the Partnership in all dealings with the IRS and state and local taxing authorities for all taxable years during which they serve in in such positions in accordance with this Section 5.4(c), provided that (a) the Partnership Representative and Designated Individual shall give prior written notice to the Limited Partner of any administrative or judicial proceeding (“Proceedings”) involving the adjustment of any tax items affecting the Partnership or the Limited Partner and obtain the prior written consent of the Limited Partner regarding the course of action to be taken in such Proceedings, and (b) neither the Partnership Representative nor the Designated Individual shall enter into or consent to a settlement with the IRS that binds the Partnership or the Limited Partner with respect to any Partnership item without obtaining the prior written consent of the Limited Partner. If the Partnership Representative or Designated Individual, or both, resign, or if the General Partner is removed in accordance with any provision of this Agreement, or if for any other reason the General Partner no longer serves as general partner of the Partnership, then the Limited Partner in its sole discretion shall designate a replacement Partnership Representative and Designated Individual for all taxable years of the Partnership. If the Partnership Representative or Designated Individual fails to obtain the Limited Partner’s prior written consent as to any filing, election, or course of action in accordance with this Section 5.4(c) or if the Partnership Representative or Designated Individual fails to perform or observe any other covenant, term or condition to be performed or observed by the Partnership Representative or Designated Individual, respectively, under this Section 5.4(c), then the Limited Partner, whether or not it exercises its right to remove the General Partner under Section 9.6 in connection with such Event of Default, shall have the right any time thereafter to remove and replace the General Partner as Partnership Representative and the individual serving as the Designated Individual for any and all taxable years of the Partnership. The timing of any change in the Partnership Representative and Designated Individual pursuant to this Section 5.4 shall be subject to all applicable requirements of the Code and Regulations.

(ii) The Partnership Representative or Designated Individual shall provide to the Limited Partner prompt notice of any communication to or from, or agreements with, any federal, state, or local tax authority

regarding any Partnership tax return or other Partnership tax matter, including a summary of the provisions thereof. The terms and conditions of this Section 5.4 also shall apply to state and local income tax matters affecting the Partnership to the extent that the terms and conditions hereof have any application to audit procedures at the state and local level.

(iii) The Partnership Representative and Designated Individual shall comply with any written direction given by the Limited Partner at any time with regard to making an Opt-Out Election, Push-Out Election, Administrative Adjustment Request or any other tax decisions and elections on behalf of the Partnership or the Limited Partner for any taxable year and shall not make an Opt-Out Election, Push-Out Election, Administrative Adjustment Request or any other tax decisions and elections on behalf of the Partnership or the Limited Partner for any taxable year without obtaining the Limited Partner's prior written consent. If the Partnership currently meets the requirements for being able to make an Opt-Out Election, the Partnership shall not admit, without the Limited Partner's consent, a partner to the Partnership if the admission of the partner would cause the Partnership to be ineligible to make such election.

(iv) In addition to the other limitations on the Partnership Representative's authority set forth herein, the Partnership Representative shall not take any of the following actions without obtaining the prior written consent of the Limited Partner:

(A) Extend the statute of limitations for assessing or computing any tax liability against the Partnership (or the amount or character of any Partnership tax item);

(B) Settle any audit or Proceeding with the IRS or any state or local taxing authority;

(C) File a request for an administrative adjustment of any kind with the IRS or any state or local taxing authority at any time or file a petition for judicial review with respect to any adjustment made by the IRS or any state and local taxing authority;

(D) Initiate or settle any judicial review or action concerning the amount or character of any Partnership tax item;

(E) Intervene in any action brought by any other Partner for judicial review of a final adjustment of any Partnership tax item; or

(F) Take any other action that would have the effect of finally resolving a tax matter affecting the rights of the Partnership and its Partners or otherwise have a material effect on any tax matters affecting the Partnership and its Partners.

(2) The General Partner shall cooperate with the Limited Partner to amend this Agreement if, after promulgation of final or amended Regulations or other guidance or rules issued by the IRS implementing the Revised Partnership Audit Procedures, the Limited Partner determines in good faith that an amendment to this Agreement is required in order to maintain the intent of the Partners as expressed in this Section 5.4 with respect to any issues raised by such final or amended Regulations or other guidance or rules.

(3) The General Partner shall keep the Limited Partner advised of any dispute the Partnership may have with the IRS or any state or local taxing authority, and, to the extent permitted by applicable rules of procedure adopted by such taxing bodies, shall afford the Limited Partner the right to participate directly in negotiations with any such taxing authority in an effort to resolve any such dispute. In addition, within ten (10) Business Days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS or any state or local taxing authority, the General Partner or Partnership Representative shall forward to the Limited Partner a photocopy of all such correspondence or communication(s). The General Partner or Partnership Representative shall, within ten (10) calendar days thereafter, advise the Limited Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS or any state or local taxing authority.

(4) The Partnership shall indemnify, defend, hold harmless and reimburse the Partnership Representative and the Designated Individual 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 Partners and/or the Partnership, provided that the Partnership Representative and Designated Individual will not be entitled to indemnification for fraud, gross negligence, willful misconduct, breach of fiduciary duty or breach of its obligations under this Section 5.4. The Partnership's indemnification, defense and reimbursement obligations under this Section 5.4(c)(4) shall constitute Operating Expenses payable solely from Gross Cash Receipts (before any distributions are made from Cash Flow or any discretionary reserves are set aside by the Managing Partner) or the Operating Reserve.

(5) If the IRS makes an adjustment to the Partnership's income, losses, deductions or credits or the Partnership makes any such adjustment for a year for which a federal income tax return had been previously filed, the adjustment, to the maximum extent permitted by law, shall be allocated, on the books and records of the Partnership, to the Partners (including former Partners whose interest have not been fully liquidated) in accordance with their respective interests (including the interests of their respective predecessors) in the Partnership for the year to which the adjustment related and, if the Partnership pays a tax liability associated with the adjustment, such payment shall be allocated, to the maximum extent permitted by law, on the Partnership books to such Partners in accordance with the way that the corresponding income or reduction in tax credits was allocated.

(d) **Governmental Filings.** The General Partner shall prepare, sign and submit to the Secretary of the Treasury, the applicable state housing agency and any other governmental authority having jurisdiction over the Project, on a timely basis, any and all annual reports, information returns and other certifications and information required by any such governmental agency. The General Partner shall comply with all other applicable requirements of any federal, state or local agency having jurisdiction over the Project, including, without limitation, any requirements of any such governmental agency with respect to the funding and maintenance of any operating or capital improvement reserves for the Project.

(e) **Bank Accounts.** The General Partner shall establish in the name and on behalf of the Partnership such bank accounts as shall be required to facilitate the operation of the Partnership's business. The Partnership's funds shall not be commingled with any other funds of the General Partner or any of its Affiliates, including, without limitation, any other partnership or limited liability company in which the General Partner is a general partner or a member. Funds of the Partnership held in bank accounts shall be deposited in one or more accounts maintained in FDIC-insured banking institutions. If the Partnership incurs any loss due to any Partnership funds not being deposited in FDIC-insured financial institutions, the General Partner and the Guarantor(s) (pursuant to the Guaranty Agreement) shall be absolutely and unconditionally liable to the Partnership and the Limited Partner with respect to any such loss. Promptly upon the request of the Limited Partner, the General Partner shall obtain and deliver to the Limited Partner full, complete and accurate statements of the amount and status of all Partnership bank accounts and all withdrawals therefrom and deposits thereto.

(f) **Completion Guaranty.**

(1) The Partnership has entered into the Development Agreement with the Developer, whereby the Developer is responsible for achieving the completion of the construction of and absolutely and unconditionally guaranteeing to the Partnership and the Limited Partner that the Project will be constructed in a good and workmanlike manner free and clear of all mechanics' and similar liens, in accordance with the Plans and Specifications and in accordance with the terms, conditions and provisions of the Permanent Loan, Secondary Loan and this Partnership Agreement, and equipping the Project with all necessary and appropriate fixtures, equipment and personal property on or before the Construction Completion Date. The obligations of the Developer under the foregoing sentence shall include, without limitation, providing all funds required of the Partnership to so complete construction of the Project (to the extent not then available under the Permanent Loan, Secondary Loan, Capital Contributions or Cash Flow during construction), including, without limitation, cash equity, unanticipated or additional development or construction costs, on and off site escrows, taxes, insurance premiums, interest, funding of operating deficits, reserves, escrows, legal expenses and accounting expenses. The repayment of any borrowings arranged by the Developer to fund its obligations under this §5.4(f) shall be the sole obligation of the Developer. The first \$500,000 of funds expended by the Developer pursuant to its obligations under this §5.4(f) shall be treated as loans to the Partnership bearing

interest at 1% per annum, compounded annually, repayable as provided in §4.1 and §4.2 hereof. All funds expended by the Developer pursuant to its obligations under this §5.4(f) in excess of \$500,000 shall be made available without right of reimbursement; however, unused deposits or reserve funds furnished by the Developer that are released by the lender or other Person requiring the deposit or reserve shall be paid to the Developer.

(2) The General Partner hereby and the Guarantor, pursuant to the Guaranty Agreement, absolutely and unconditionally guaranty to the Partnership and the Limited Partner the performance and payment obligations of the Developer as described in this §5.4(f) and the Development Agreement. The first \$500,000 of funds expended by the General Partner or the Guarantor pursuant to their obligations under this §5.4(f) and the Guaranty Agreement shall be treated as non-interest bearing loans to the Partnership, repayable as provided in §4.1 and §4.2 hereof. Funds expended by the General Partner and the Guarantor pursuant to their obligations under this §5.4(f) and the Guaranty Agreement in excess of \$500,000 shall be made available without right of reimbursement or Capital Account credit. For the purpose of clarification, only the first \$500,000 expended in connection with the completion obligations described in this §5.4(f) and the Guaranty Agreement will be granted loan treatment and all other funds expended, regardless of which party expends them, will be provided without right of reimbursement or Capital Account credit.

(3) In the event that the Developer or General Partner and the Guarantor, pursuant to the Guaranty Agreement, shall fail to pay development costs as required under this §5.4(f), an amount not in excess of the total of any remaining unpaid Limited Partner Capital Contribution installments may be advanced by the Limited Partner to the Partnership to meet such obligations of the Developer, the Guarantor and the General Partner. Any such advance of funds otherwise payable pursuant to §2.2 hereof shall constitute reductions in amounts owed pursuant to §2.2, and the Limited Partner's obligation to make such installment payments pursuant to §2.2. Without excluding or limiting any other rights or remedies available to the Partnership or the Limited Partner, any such amount advanced to the Partnership to meet the General Partner's obligations will be deemed to be a loan to the General Partner from the Partnership (I) accruing interest at the Prime Rate plus 3% from the date of advance of such funds until the date such Capital Contribution is due under this Agreement, (II) payable upon demand from the Partnership or the Limited Partner and (III) guaranteed by the Guarantor pursuant to the Guaranty Agreement. Without limiting other available rights and remedies, the Partnership shall have a right of offset against all payments and distributions payable to the General Partner pursuant to the terms of this Partnership Agreement and all Development Fee payable to the Developer pursuant to the Development Agreement until all outstanding amounts under such deemed loan are paid in full. The obligations of the General Partner pursuant to §5.4(f) shall be satisfied to the extent of the funds applied.

(g) **Replacement and Operating Reserves.**

(1) Operating Reserve. The General Partner shall establish the Operating Reserve as provided herein. The Operating Reserve shall be held in the Operating Reserve Account, which account shall be maintained until the later of the end of the Compliance Period and the Limited Partner's withdrawal from the Partnership. Withdrawals from the Operating Reserve shall require, at the Asset Manager's election, either the signature of the Asset Manager or the prior written consent of the Asset Manager. The Asset Manager's consent to withdrawals from the Operating Reserve Account shall not be unreasonably withheld, conditioned or delayed. The Operating Reserve shall be used to fund operating and debt service deficits. Funds in the Operating Reserve Account shall not be used to fund operating or debt service deficits until the Developer and General Partner are no longer obligated, pursuant to §5.4(h)(1) below, to fund operating and debt service deficits. Thereafter, any continuing shortfalls in operating expenses and debt service payments shall be funded out of the Operating Reserve Account until the Operating Reserve Account has been reduced to 50% of the Operating Reserve Amount, at which time continuing shortfalls shall be funded from the Operating Deficit Guaranty described below in §5.4(h)(2).

(2) Replacement Reserve. The Replacement Reserve, and any interest earned on the Replacement Reserve, shall be maintained by the Partnership in the Replacement Reserve Account, shall be utilized to make capital improvements and repairs to the Project. Withdrawals from the Replacement Reserve shall require, at the Asset Manager's election, either the signature of the Asset Manager or the prior written consent of the Asset Manager. The Asset Manager's consent to withdrawals from the Replacement Reserve Account shall not unreasonably be withheld, conditioned or delayed. In addition, up to \$20,000 may be withdrawn annually from the Replacement Reserve to pay for expenses incurred in turning the Project units without the consent of the Asset Manager but with prior written notice to the Asset Manager, provided that the Partnership obtain all other necessary consents from lenders and other third parties. Funding of the Replacement Reserve shall commence the earlier of (1) the month following the month in which Breakeven Operations occurs and (2) the fourth month following the month in which Construction Completion occurs. For the sixth year for which Replacement Reserve deposits are to be made and for every fifth year thereafter, the Limited Partner shall have the right, based upon an analysis of repair, maintenance and replacement experience of the Project and the advice of the Asset Manager, to require that an increased monthly reserve deposit be made in its reasonable discretion. Additionally, on the tenth anniversary of the Construction Completion, the Limited Partner shall have the right to require a physical assessment of the Project pursuant to which the amount reserved on a monthly basis may be increased. Any replacement reserve amounts held by Funding Lender pursuant to the Permanent Loan documents shall be credited to the Replacement Reserve.

The General Partner, acting on behalf of the Partnership, shall direct the depository bank holding the Operating Reserve and Replacement Reserve funds not to honor draw

requests with respect to the Operating Reserve Account and Replacement Reserve Account unless the depository bank has received evidence reasonably satisfactory to it that the consents or approvals required by this section have been received.

(h) **Operating Deficit Guaranty.**

(1) The General Partner hereby and the Guarantor, pursuant to the Guaranty Agreement, jointly and severally are obligated to provide the funds to the Partnership during the Breakeven Period required by the Partnership to permit the Partnership to meet all reasonable operating and fixed costs attributable to such period related to owning and operating the Partnership and Project. Such costs shall include all operating and fixed costs accrued or accruable during such period, including, without limitation, taxes, assessments, insurance premiums, maintenance expenses, funds for replacement reserves and required escrow and other reserves and debt service payments. Such costs will also include a ratable portion of the annual amount of seasonal and/or periodic expenses, including, but not limited to utilities, maintenance expenses and real estate taxes, which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation. Repayment of any borrowings arranged by the General Partner and/or Guarantor in furtherance of their obligations under this §5.4(h)(1) and the Guaranty Agreement shall be their sole obligation. The first \$500,000 of funds expended in connection with the obligations described in this §5.4(h)(1) will be treated as a non-interest bearing loan but all other funds expended by the General Partner and the Guarantor pursuant to their obligations under this §5.4(h)(1) and the Guaranty Agreement, respectively, shall be made available without right of reimbursement or Capital Account credit; however, unused funds or deposits or letters of credits furnished by the General Partner and/or Guarantor pursuant to their obligation described in this §5.4(h)(1) and/or Guaranty Agreement shall be paid or returned to them. For the purpose of clarification, only the first \$500,000 expended in connection with the completion obligations described in this §5.4(h)(1) will be granted loan treatment and all other funds expended, regardless of which party expends them, will be provided without right of reimbursement or Capital Account credit.

(2) The General Partner hereby and the Guarantor, pursuant to the Guaranty Agreement, jointly and severally, are obligated, promptly upon the reduction of the Operating Reserve Account to 50% of the Operating Reserve Amount, to provide funds to the Partnership in an amount up to the Operating Guaranty Amount for Operating Deficits occurring during the Operating Guaranty Period. Repayment of any letters of credit or other borrowings arranged by the General Partner and/or Guarantor in furtherance of their obligations under this §5.4(h)(2) and/or the Guaranty Agreement shall be the sole obligation of the General Partner and/or Guarantor. Funds made available by the General Partner and/or Guarantor pursuant to this §5.4(h)(2) and/or the Guaranty Agreement shall be treated as non-interest bearing loans to the Partnership, commencing on the date that the Operating Guaranty Period ends, repayable as provided in §4.1 and §4.2 hereof. Notwithstanding the foregoing, if at any time the HAP Contract is

terminated or payments under the HAP Contract are reduced and as a result Operating Deficits occur, the obligations of the General Partner hereby and the Guarantor under the Guaranty Agreement shall be reinstated and shall continue until the later of the end of the Compliance Period or the date upon which the Limited Partner exits the Partnership.

(i) **Qualified Occupancy.** The Project shall achieve not less than 100% Qualified Occupancy on or before the Qualified Occupancy Date.

(j) **Loan Shortfall Guaranty.**

(1) The General Partner hereby, and the Guarantor pursuant to the Guaranty Agreement, shall be obligated to provide funds to the Partnership in the event that the actual proceeds of the Permanent Loan and Secondary Loan are less than the anticipated amount of the Permanent Loan and Secondary Loan proceeds as set forth in the Financial Forecasts (“Loan Shortfall”).

(2) Funds made available pursuant to §5.4(j)(1) shall be evidenced by a promissory note (“Loan Shortfall Note”) with terms no less favorable to the Partnership than the terms of the applicable loan and shall be repaid as provided in §4.1 and §4.2 hereof.

(k) **Cooperation with Asset Manager.** The General Partner shall cooperate and shall cause the Management Agent to cooperate fully with the Asset Manager so that the Asset Manager may carry out its duties and obligations.

(l) **Partnership Formation and Project Financing.** In consideration of the General Partner’s interest in the Partnership and in its capacity as General Partner, the General Partner shall provide the services to form the Partnership and procure acceptable permanent financing for the Project and for the investment in the Partnership by the Limited Partner.

§5.5 Fees for Services Rendered. The Partnership shall pay the following described fees to the Persons that are Affiliates of one or more Partners indicated below:

(a) **Development Fee.** As provided in the Development Agreement, the Partnership shall pay the Development Fee to the Developer for the services and obligations described in the Development Agreement.

(b) **Disposition Fee.** The Partnership shall pay to the Limited Partner or its assigns a disposition fee of \$25,000 and to the General Partner a disposition fee of three percent (3%) of any amounts payable to the Partnership upon the sale of the Project or any portion thereof. Notwithstanding the foregoing, no Disposition Fee shall be payable to the Limited Partner if the Project is sold pursuant to §8.7 hereof.

(c) **Incentive Partnership Management Fee.** The Partnership shall pay to the General Partner the Incentive Partnership Management Fee to compensate the General Partner for managing the Partnership’s operations and assets and coordinating the

preparation of the required State Housing Finance Agency, federal, state and local tax and other required filings and financial reports.

(d) **Asset Management Fee.** The Partnership shall pay to the Asset Manager the Asset Management Fee, which fee shall be paid in advance, on an annual basis (with each payment due on or before the 10th day of each fiscal year, except for the first year, which shall be pro-rated and payable on or before the 10th day of the month following the date of execution of this Partnership Agreement), for property management oversight, tax credit compliance monitoring and related services provided by the Asset Manager. The Asset Management Fee shall be paid pursuant to §4.1 and §4.2 hereof.

(e) **Due Diligence Fee.** The Partnership shall pay to the Limited Partner the Due Diligence Fee out of the proceeds of the First Installment for advisory services in connection with the development and construction of the Project and shall be payable at Partnership closing.

(f) **Management Agent Fee.** The Partnership shall pay to the Management Agent the management agent fee set forth in the property management agreement between the Management Agent and the Partnership to compensate the Management Agent for operating and managing the Project.

The Development Agreement and any other agreement entered into between the Partnership and the General Partner or any Affiliate thereof shall specifically provide that such agreement shall be terminable at the election of the Limited Partner if the General Partner is removed pursuant to §9.6 hereof.

None of the payments or reimbursements to any of the Persons indicated above shall be considered a distribution of (as opposed to a payment from) Cash Flow to any Partner and, except as otherwise specifically provided herein, the General Partner may make any such reimbursement or payment prior to any distribution of any Cash Flow to the Partners.

§5.6 Reimbursement of Expenses. The Partnership shall reimburse the General Partner for all out of pocket costs and expenses incurred by it or its Affiliates in connection with the formation and organization of the Partnership. In addition, except as otherwise provided herein, the Partnership shall reimburse each Partner for all reasonable out of pocket costs and expenses incurred by it or its Affiliates in connection with the operation of the Partnership's business, including, but not limited to, reasonable costs and expenses incurred by any such Partner in connection with the exercise of any consent hereunder.

§5.7 Outside Ventures of Partners. Any Partner may engage in or possess an interest in any other business venture of any type or description, independently or with others (including, without limitation, any venture which may be competitive with the business being conducted by the Partnership) and neither the Partnership, nor any Partner will, by virtue of this Partnership Agreement, have any right, title or interest in or to such outside ventures or the income or other benefits derived therefrom.

§5.8 Dealing With Affiliates. The General Partner may employ or retain in any capacity any Partner or Affiliate of any Partner so long as the terms upon which such Partner or

such Affiliate is employed or retained are commercially reasonable under the circumstances and comparable to those terms which could be obtained from an independent person for comparable services in the area where the Project is located or the Partnership has its principal office.

§5.9 Indemnification of Partnership and Limited Partner.

(a) The General Partner hereby and the Guarantor, pursuant to the Guaranty Agreement, agree to indemnify and hold harmless the Partnership and the Limited Partner, its Affiliates, and their successors and assigns, from and against any loss, cost, expense, liability (including attorneys' fees) or damage (including foreseen and unforeseen damage and consequential damages) arising directly or indirectly out of the presence on, under or about the Project of any Hazardous Substance, or the use, generation, manufacture, storage or disposal of any Hazardous Substance on, under or about the Project.

(b) The General Partner hereby and the Guarantor, pursuant to the Guaranty Agreement, shall indemnify and hold harmless the Limited Partner, its Affiliates, and their successors and assigns from and against any claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments, awards, costs and expenses including, without limitation, attorneys' fees, arising directly or indirectly, in whole or in part, out of a breach of any or all of the representations, warranties and covenants contained in this Partnership Agreement, including, without limitation, those contained in §5.3 hereof. In addition to the foregoing indemnification, the Limited Partner may pursue any other available legal or equitable remedy against the General Partner with respect to the General Partner's breach of any of the representations, warranties or covenants contained herein, including, without limitation, the Limited Partner's deferral of the payment of its Capital Contribution pursuant to §2.2 hereof.

(c) The General Partner's and Guarantor's obligations described in this §5.9 and the Guaranty Agreement shall survive the termination and/or liquidation of the Partnership with respect to any occurrence or event arising prior to such termination and/or liquidation.

§5.10 Tax Credit Adjusters and Repurchase Provision.

(a) **Permanent Reduction in Credit.** If, as of the end of the first year of the Credit Period and based upon cost certification by the Accountants, it is determined that the amount of Actual Tax Credits over the Credit Period for the Project will be less than Projected Tax Credits, (a "Permanent Credit Shortfall"), then there shall be a reduction (the "Permanent Credit Shortfall Adjustment") in the Limited Partner's Capital Contribution in an amount equal to the product of (i) the Permanent Credit Shortfall and (ii) \$0.97. The Permanent Credit Shortfall shall mean the amount by which the Actual Tax Credits are or will be less than the Projected Tax Credits over the Credit Period due to (i) the actual Applicable Percentage being less than projected; (ii) the actual Eligible Basis being less than projected; (iii) the actual Qualified Basis as of the end of the first Credit Period being less than Projected Qualified Basis; (iv) the actual final allocation of Tax Credits as indicated on IRS Form 8609 being less than the Projected Tax Credits; or (v) any combination of the above. Such reduction shall be applied by decreasing the amount of

the Limited Partner's Capital Contribution installment next due, and, if necessary, further installments (reducing the earliest ones first) by the amount of the Permanent Credit Shortfall Adjustment. If all of the installments of the Limited Partner's Capital Contribution have been paid at the time of a Permanent Credit Shortfall, or the aggregate amount of installments remaining unpaid and unassigned at the time of the Permanent Credit Shortfall is less than the amount of the Permanent Credit Shortfall Adjustment, then any such amount not able to be offset shall be immediately due and owing (without any right of reimbursement or Capital Contribution credit) from the General Partner to the Limited Partner. There shall be no limitation on the General Partner's liability under this §5.10(a).

In the event that any Capital Contribution installments are reduced or General Partner payments are required to be made under this §5.10(a), the pro forma Financial Forecasts attached hereto as Appendix II shall be correspondingly revised and shall be considered amendments and determinative of the "Projected Tax Credits" and other amounts set forth herein if there is a conflict between any amounts set forth therein and in this Partnership Agreement.

(b) **Timing Difference in Tax Credit.** If, for any fiscal year before 2021, at least 100% of the Projected Tax Credits cannot be claimed (as determined by the Asset Manager) by the Limited Partner in the anticipated fiscal year (including the Partnership's failure to timely obtain Form 8609(s)) but must be delayed or taken in a later year or years, then for each dollar of credit delayed or reduced, the Limited Partner shall be entitled to reduce ("Timing Reduction") its Capital Contribution by \$0.55. In order not to adjust under this §5.10(b) for any shortfall in Tax Credits for which an adjustment shall have been made pursuant to §5.10(a), the term "Projected Tax Credit" shall be revised, as provided for in the last paragraph of §5.10(a), to reflect the actual Applicable Percentage for the Project and the actual Eligible Basis for the Project, but not taking into account any delays in placing the Project, or any portion thereof, in service. This §5.10(b) is to be applied to each fiscal year of the Partnership prior to 2021 and the total deferral of Capital Contribution of the Limited Partner pursuant to this §5.10(b) shall be the sum of the amounts determined upon each of such applications. If all of the installments of the Limited Partner's Capital Contribution have been paid at the time of a Timing Reduction, or the aggregate amount of installments remaining unpaid and unassigned at the time of the Timing Reduction is less than the amount of the Timing Reduction, then any such amount not able to be offset shall be immediately due and owing (without any right of reimbursement or Capital Contribution credit) from the General Partner to the Limited Partner.

(c) **Material Credit Shortfall.** If, (a) for any fiscal year after 2020, for any reason whatsoever the Actual Tax Credits are, on a cumulative basis, less than one hundred percent (100%) of the Projected Tax Credits (as adjusted in any revised Financial Forecast prepared pursuant to §5.10(a) or (b)) for such fiscal year or (b) the Limited Partner is required to recapture (resulting from other than a transfer of part or all of the Limited Partner's Partnership Interest) all or any part of the Tax Credits claimed by it in any prior fiscal year of the Partnership ("Credit Shortfall"), then the General Partner shall be obligated, subject to the limitations expressed herein, to pay to the Limited Partner the

amount equal to the sum of (I) the difference between the Projected Tax Credits (as adjusted in any revised Financial Forecast prepared in connection with §5.10(a) or (b)) for the fiscal year and the Actual Tax Credits for such fiscal year and (II) the amount of the Tax Credits recaptured in such fiscal year plus interest and penalties payable thereon. Payments made by the General Partner pursuant to this §5.10(c) shall be made without any right of reimbursement or Capital Contribution credit. Notwithstanding the foregoing, to the extent a Material Credit Shortfall is caused by the repeal, amendment or material modification of §42 of the Code or other applicable sections of the Code or the regulations thereunder, the applicable Credit Shortfall payment shall be paid solely from Cash Flow in accordance with the provisions of §4.1(a)(1) and §4.2(a)(1) of this Partnership Agreement.

(d) **Failure to Pay; Remedies.** If the General Partner fails to pay any amount payable pursuant to §5.10(a), (b) or (c) above, or the repurchase amount pursuant to §5.10(e) below, owing to the Limited Partner within ten (10) days after written demand of the Limited Partner, then, in addition to any other rights the Limited Partner may have, any sums payable to the General Partner (or any Affiliate thereof) pursuant to the terms of this Partnership Agreement (including, without limitation, Cash Flow and any fees payable by the Partnership to the General Partner or its Affiliates) shall instead be paid to the Limited Partner until such time as all amounts owing to the Limited Partner pursuant to this §5.10 are fully repaid. For purposes of this Partnership Agreement, any sums paid to the Limited Partner pursuant to the immediately preceding sentence shall be deemed to have been paid to the General Partner (or its Affiliates) and subsequently paid by the General Partner (or its Affiliates) to the Limited Partner in satisfaction of its obligations hereunder. The rights and remedies granted to the Limited Partner by this §5.10 shall not be exclusive of, but shall be in addition to, any other rights and remedies granted to the Limited Partner under this Partnership Agreement or by applicable law. The obligations of the General Partner under this §5.10 shall be deemed to have arisen as a consequence of a transaction between the General Partner and the Limited Partner other than in their capacities as Partners and the Capital Accounts or loans of the Partners shall not be affected in any way as a result of the making of any credits or payments hereunder. Any amount payable pursuant to §5.10(a), (b) or (c) above or the repurchase amount pursuant to §5.10(e) below, shall bear interest at the Prime Rate from the date such payment is due.

(e) **Repurchase.** Notwithstanding anything contained herein to the contrary, in the event that (i) the Project does not generate any Tax Credits during 2019 for any reason whatsoever (unless the Limited Partner consents to the deferral of the tax Credits to 2020), (ii) Construction Completion and placement in service of all buildings is not achieved on or before April 1, 2020, (iii) prior to the receipt by the Partnership of final IRS Form(s) 8609 for the Project executed by the State Housing Financing Agency, the General Partner commits an act or acts of gross negligence, willful misconduct or fraud, (iv) Breakeven Operations does not occur within 12 months of the Construction Completion Date, (v) the Partnership fails to meet the Fifty Percent Bond Test, (vi) foreclosure proceedings have been commenced under the Permanent Loan prior to achievement of Qualified Occupancy and have not been dismissed within thirty (30) days from the date of commencement of such proceedings, (vii) final IRS Form(s) 8609 for the Project executed by the State Housing Finance Agency are not received by the Limited Partner by the earlier of (A) thirty (30) days following receipt by the Partnership from the State Housing Finance

Agency or (B) the end of the second year of the Credit Period, (viii) the failure of the Project to achieve the minimum set-aside test or the rent restriction test under Section 42(g) of the Code prior to the end of the first year of the Credit Period, (ix) the annual amount of Tax Credits reflected on Form(s) 8609 for the Project is less than 70% of the annual Projected Tax Credits for any reason other than a change in tax law, (x) the Partnership fails to execute and properly record the Restrictive Covenant by the end of the first year of the Credit Period, (xi) at any time prior to the payment of the final Capital Contribution installment a casualty occurs resulting in the substantial destruction of more than 50% of the Project, or there is substantial destruction of less than 50% of the Project and the insurance proceeds are insufficient to restore the Project within twenty-four (24) months following such casualty, (xii) a fully executed copy of the HAP Contract is not provided to the Limited Partner within 30 days of the date of this Partnership Agreement, or (xiii) the General Partner and the Guarantor fail to provide or cause to be provided any funds required to be provided under the Guaranty Agreement prior to the expiration of the Operating Guaranty Period, then, in any such event, upon the written request of the Limited Partner, the General Partner shall purchase the Limited Partner's interest in the Partnership for an amount equal to the sum of all Capital Contributions actually made to the Partnership by the Limited Partner, with interest at the Prime Rate (as of the date of the repurchase) calculated from the date of such Capital Contributions, plus all expenses incurred by the Limited Partner in connection with entering into the Partnership. Upon receipt of such amount, the Limited Partner's interest as the Limited Partner in the Partnership shall terminate, the Limited Partner shall transfer its interest in the Partnership to the General Partner or its designee, and the General Partner shall indemnify and hold harmless the Limited Partner from and against any losses, damages and liabilities to which the Limited Partner (as a result of its participation hereunder) may be subject.

(f) **Survival.** The obligations of the General Partner and its Affiliates prescribed or described in this §5.10 shall survive the termination and liquidation of the Partnership with respect to any event or occurrence prior to such termination and liquidation.

ARTICLE 6: POWERS, RIGHTS AND DUTIES OF LIMITED PARTNERS

§6.1 Limitation of Liability. Except as otherwise required under the Act (relating to a limited partner's liability under certain circumstances to refund to the Partnership distributions of cash previously made to it as a return of capital), the Limited Partner shall not be personally liable for any loss or liability of the Partnership beyond the amount of the Limited Partner's agreed upon Capital Contributions.

§6.2 No Participation in Management. Except as otherwise expressly provided in this Partnership Agreement, the Limited Partner shall not participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership.

ARTICLE 7: ACCOUNTING AND FISCAL AFFAIRS

§7.1 Books of Account. The General Partner shall keep proper books of account for the Partnership. Such books of account shall be kept at the principal office of the Partnership and shall be open at all times for examination and copying by the Limited Partner or its authorized representatives. The General Partner shall retain such books of account for six (6) years after the termination of the Partnership. All decisions as to the fiscal year and accounting methods to be used by the Partnership shall be made only with the prior written consent of the Limited Partner. The Partnership shall use the accrual method of accounting for federal income tax purposes.

The General Partner shall retain all documentation with respect to initial qualification of the Project as a qualified Tax Credit project for the later of six (6) years after completion of the Project's Compliance Period and as long as is required under applicable law. The General Partner shall retain such other documentation relating to the continuing Tax Credit qualification of the Project for at least six (6) years, unless requested by the Limited Partner or required by applicable law to retain such documentation for a longer period.

The General Partner acknowledges and agrees that it shall cooperate fully and in good faith, and shall instruct and cause the Management Agent to cooperate fully and in good faith, with the Asset Manager and the Limited Partner with respect to their monitoring of the Partnership's operation of the Project, including the review of and compliance with Tax Credit related laws and regulations.

§7.2 Reports. The General Partner shall deliver to the Limited Partner any periodic financial or performance report provided by the Partnership to any federal, state or local governmental agency or to any Partnership lender or any compliance monitoring report provided to the Partnership by the State Housing Finance Agency responsible for compliance monitoring or its designee. Any such report shall be received by the Limited Partner within twenty (20) days after such report is filed with any such governmental agency or Partnership lender or provided to the Partnership.

The General Partner shall cause to be prepared and received by the Limited Partner:

(a) Within 120 days after the end of each calendar year, at the Partnership's expense, the following: (i) financial statements for the Partnership (consisting of a balance sheet as of the end of such calendar year, statements of income, Partners' equity and changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an opinion of the Accountant; (ii) a cash flow statement; (iii) a statement and reconciliation of each Partner's Capital Account; and (iv) a statement of the tax basis for the computation of the Tax Credits and depreciation deductions. Such reports shall identify (i) computation of Cash Flow verified by the Accountant; (ii) distributions from Cash Flow from operations during the calendar year; (iii) distributions from Cash Flow generated during a prior period which had been held as reserves; (iv) Net Cash from Sales and Refinancings; (v) costs reimbursed to the General Partner or affiliates; (vi) reserves; (vii) borrowed monies, loans and additional Capital Contributions; (viii) Affiliate transactions; and (ix) transactions outside of the ordinary course of business with a description thereof. If the Construction Completion has

not occurred by the end of the calendar year, in lieu of the documents described in this subsection, an audited balance sheet shall be provided by the date set forth at the beginning of this subparagraph. In addition, if requested by the Limited Partner and at the sole option of the Limited Partner, a current appraisal of the Project or an update of an existing appraisal of the Project in form and substance acceptable to the Limited Partner, the cost of which shall be borne by the General Partner if the General Partner is in default under this Partnership Agreement at the time such appraisal or update is ordered but otherwise shall be borne by the Limited Partner.

(b) Within 15 days after the end of (i) each month until the later of the end of the first year of the Credit Period and Permanent Loan closing, and (ii) each quarter thereafter, a Tax Credit monitoring form, rent rolls, statement of income and expenses, operating statement, accounts receivable and accounts payable aging report, occupancy/rental report and a report detailing (A) the number of units occupied as of the last day of the month or quarter, as applicable, (B) copies of any report to or from any state or federal agency, and (C) a narrative of any major events, including, but not limited to, scheduled or completed compliance audits, major damage to the Project, awards, events, major expenses, or similar occurrences, all in the form specified or approved by the Limited Partner.

(c) Within 30 days after the end of each quarter of each calendar year of the Partnership, a report containing: (i) an unaudited balance sheet; (ii) an unaudited statement of income; (iii) an unaudited statement of Cash Flow; (iv) the certification by the General Partner that the Project and all tenants thereof are in compliance with all Tax Credit requirements and regulations applicable to the Project (or, if not in total compliance, describing any noncompliance); and (v) other pertinent information regarding the Partnership and its activities during the quarter covered by the report.

(d) Within 60 days after the end of each calendar year of the Partnership: (i) a certification by the General Partner that all construction and/or mortgage loan payments and taxes and insurance payments with respect to the Project are current or, if there is any default, a description thereof; and (ii) a descriptive statement of all transactions during the calendar year between the Partnership and the General Partner or any Affiliate of the General Partner, including the nature of the transaction and the payments involved.

(e) Within 120 days after the end of each calendar year the General Partner and the Guarantor shall forward to the Limited Partner their audited financial statements, along with the audited financial statements of any related entity, which shall include a balance sheet, an income statement and statement of cash flow (if available). Federal tax returns shall be provided upon the request of the Limited Partner.

(f) Within 20 days of the date such report is due or requested from the Partnership, copies of any reports as may be required or requested by any federal or state agency or by the Limited Partner, shall be delivered to the Limited Partner.

§7.3 Budgets and General Disclosure.

(a) The General Partner shall prepare and cause to be received by the Limited Partner at least 45 days prior to the beginning of each fiscal year of the Partnership a reasonably detailed annual operating and capital improvements budget for the operation of the Project during such fiscal year. The General Partner shall keep the Limited Partner informed concerning the general state of the business and financial condition of the Partnership and shall, upon the reasonable request of the Limited Partner, furnish to the Limited Partner full information, accounts and documentation concerning the state of the business and financial condition of the Partnership. Such budget shall include, but not be limited to:

- (1) Intentionally deleted,
- (2) an assessment of repairs and capital improvements needed and the priority of such items; and
- (3) a proposed repairs and capital improvements budget for the year affected.

(b) The General Partner shall deliver to the Limited Partner a detailed report of any of the following events within 7 days after the occurrence of such event:

- (1) A material default by the Partnership under any loan, grant, subsidy, construction or property management document or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;
- (2) receipt of any notice of any Service proceeding involving the Partnership;
- (3) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserves was established;
- (4) the General Partner has received any notice of a material fact which may substantially affect further distributions;
- (5) any Partner has pledged or collateralized its interest in the Partnership;

§7.4 Tax Information.

(a) Within 45 days of the Construction Completion date, the General Partner shall cause to be prepared by the Accountant and received by the Limited Partner a Tax Credit Eligible Basis worksheet for each building of the Project in a form reasonably acceptable to the Limited Partner.

(b) Within 120 days after the end of each fiscal year of the Partnership, the General Partner shall prepare and cause to be received by the Limited Partner with respect to such fiscal year a statement showing all items of income, gain, loss, deduction and credit of the Partnership for federal income tax purposes and the Limited Partner's allocable share thereof. The General Partner shall cause all tax returns and reports required to be filed by the Partnership to be prepared by the Accountant and timely filed with the appropriate authorities and shall furnish to the Limited Partner copies of such tax returns and reports promptly after the filing of the same. The General Partner shall retain copies of such tax returns and reports for the Partnership for as long as is required by applicable law.

(c) Within the earlier of (i) 270 days following Construction Completion or (ii) 30 days following receipt by the Partnership, the General Partner shall deliver to the Limited Partner IRS Forms 8609, along with Schedule A, for each and every building evidencing that the Project qualified for one hundred percent (100%) of the Projected Tax Credits (subject to adjustments pursuant to §5.10 hereof).

(d) Within 14 days of receipt by the Partnership, the General Partner shall deliver to the Limited Partner a copy of the Restrictive Covenant for the Project as recorded in the land records of the City of New Haven, Connecticut.

(e) Within sixty (60) days after achievement of Qualified Occupancy, the General Partner shall deliver to the Limited Partner all first year tenant files, including first year unit transfers, which files shall be subject to the review and approval of the Limited Partner. The tenant files shall include a copy of the executed tenant lease (which shall state the unit occupied), a copy of all income and employment verification forms, and any other forms and information required to qualify the tenant pursuant to §42 of the Code. If applicable, a unit-by-unit listing of all market rate units shall also be provided.

§7.5 Review of Compliance. The General Partner shall, within seventy-five (75) days after the end of each fiscal year of the Partnership, certify to the Limited Partner in the same scope and manner that it is required to certify, if requested, to the applicable State Housing Finance Agency, that the Partnership is in compliance with all regulations and procedures relating to the operation of the Project as a qualified Tax Credit project within the meaning of §42(h) of the Code. The Limited Partner may, at its own expense, conduct or cause to be conducted an audit or review of the Partnership's compliance with all regulations and procedures relating to the operation of the Project as a qualified Tax Credit project within the meaning of §42(h) of the Code. Such audit or review shall be conducted upon not less than thirty (30) nor more than ninety (90) days prior written request. The General Partner shall cooperate with any such audit by making appropriate personnel of the General Partner and Management Agent and all books and records of the Project and Partnership available to the Limited Partner or its representatives at the offices of the Partnership during regular business hours.

§7.6 Failure to Provide Information.

(a) Failure to provide the reports required under this Article 7 within the time requirements set forth therein will result in the assessment of a \$100 per day penalty due and payable to the Limited Partner until the tax information and/or reports are received.

This penalty will not be applicable if (i) waived by the Limited Partner, or (ii) the required information is received within ten (10) business days after delivery of a written notice of demand from the Limited Partner.

(b) If the General Partner fails to provide in a timely manner any information, reports or data required to be provided by the General Partner under this Article 7, or otherwise fails to perform its obligations under this Article 7, then, in addition to any remedies the Limited Partner may have under this Partnership Agreement or applicable law, the Partnership shall not make any distributions or payments to the General Partner pursuant to §4.1 or §4.2 hereof until such time as such information, reports or data have been provided or such other obligations have been fulfilled.

(c) Regardless of whether the penalties are paid or waived, the Limited Partner has the right to require the removal of the Accountant and the right to approve a replacement if any of the above applicable reporting requirements are not materially met as reasonably determined by the Limited Partner.

ARTICLE 8: TRANSFER OF LIMITED PARTNER'S PARTNERSHIP INTEREST

§8.1 Voluntary Transfers. The Limited Partner may at any time make a Voluntary Transfer of all or any part of its Partnership Interest, so long as such Voluntary Transfer complies with the following conditions: (a) the General Partner has received a written instrument of transfer of all such Partnership Interest, which instrument shall be signed by the transferor Limited Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of and agreement to be bound by all of the terms and conditions of this Partnership Agreement; (b) all requirements of applicable state and federal securities laws have been complied with; (c) such Voluntary Transfer will not result in the Partnership's loss of any exemption (federal or state) from the registration of the sale of securities relied upon in its offering of the Partnership Interest; (d) such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for federal income tax purposes; and (e) such voluntary transfer complies with the terms of the Permanent Loan documents (so long as the Permanent Loan is outstanding). Upon compliance with all of the conditions of this §8.1, such Voluntary Transfer of the Limited Partner's Partnership Interest shall bind the Partnership and the General Partner, no such transfer shall cause the dissolution and termination of the Partnership and the transferee shall automatically be deemed to be an Assignee with respect to such Partnership Interest. Notwithstanding anything to the contrary contained in this Partnership Agreement, (i) so long as the General Partner is not in default under this Agreement, the General Partner's consent, not to be unreasonably withheld, conditioned or delayed, shall be required for any transfer by the Limited Partner of its Partnership Interest to an unaffiliated entity prior to Construction Completion, and (ii) the Limited Partner shall not transfer its interest to Alden Torch/Hunt or any officer, agent or Affiliate thereof or to any entity controlling, controlled by or under common control with such persons.

§8.2 Effective Date of Substitution of the Limited Partner. An Assignee of the Limited Partner's Partnership Interest shall become a Substituted Limited Partner upon the execution by the Limited Partner and the Assignee of the transfer instrument referenced in §8.1(a) above. The General Partner shall duly file for record any required amended certificate of limited partnership reflecting such substitution in such public offices as shall be required under the Act. The effective date of the substitution of the Assignee as a Substituted Limited Partner shall be the date of the assignment to such Assignee.

§8.3 Involuntary Transfers. The Involuntary Transfer of all or any part of the Limited Partner's Partnership Interest shall not cause the dissolution and termination of the Partnership, but rather the business of the Partnership shall be continued without interruption in accordance with the provisions of this §8.3. Upon an Involuntary Transfer of all or any part of the Limited Partner's Partnership Interest, such Limited Partner's successor or legal representative shall automatically be deemed to be a Substituted Limited Partner.

§8.4 Distributions and Allocations with Respect to Transferred Partnership Interest. If any transfer (whether a Voluntary or Involuntary Transfer) of the Limited Partner's Partnership Interest is recognized by the Partnership under this Article 8, then all allocations of Profits and Losses attributable to the transferred Partnership Interest shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the General Partner which

is then permitted under §706 of the Code and the Regulations promulgated thereunder. All distributions of Cash Flow made prior to the effective date of any such transfer shall be made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee.

§8.5 Voluntary Withdrawal. The Limited Partner shall not be permitted to voluntarily withdraw from the Partnership.

§8.6 Disposition of Project.

(a) The Partnership shall not transfer, sell or otherwise dispose of the Project to any Person except in accordance with this §8.6.

(b) For a period of one hundred eighty (180) days after the expiration of the Compliance Period, the General Partner shall have the option, exercisable by written notice to all of the Partners in the Partnership prior to the end of such 180-day period, to purchase the Project, or, at the election of the General Partner, the Limited Partner's Interest in the Partnership, for the greater of: (i) Fair Market Value of the Project or the Limited Partner's Interest in the Partnership, as determined pursuant to this §8.6; and (ii) the sum of (1) the total amount (principal, unpaid interest and other amounts, if any) of all outstanding indebtedness owed by the Partnership, (2) the Credit Deficiency Gross Tax Amount, and (3) the quotient obtained by dividing (I) the total amount of federal, state and local taxes payable by the Partnership and each of the Partners as a result of such sale if the sale were for a price equal to items (1) and (2) above and assuming the Partnership and each Partner is in the highest marginal federal, state and local tax brackets, but taking into account the deduction of state and local taxes in calculating taxable income for federal tax purposes, by (II) the Tax Factor.

(c) If the General Partner does not timely exercise its rights under subsection (b) above, the General Partner shall use its best efforts to obtain a bona fide offer from an unrelated third party for the purchase of the Project, or at the election of the Limited Partner, the Limited Partner's Partnership Interest in the Partnership. If such a bona fide offer is obtained and the holders of a majority in interest of the Partnership Interests (as reflected in §3.1) of the Partnership elect to accept such offer, the General Partner shall thereafter have ten (10) days within which to notify all of the Partners in the Partnership that the General Partner will purchase the Project, or at the election of the Limited Partner, the Limited Partner's Partnership Interest in the Partnership, for the same price and upon the same terms and conditions as the bona fide third party offer.

(d) A purchase of the Project by the General Partner pursuant to §8.6(b) or (c) shall also be subject to and closed in accordance with the provisions set forth in Appendix III, attached hereto and made a part hereof.

(e) For the purposes of determining the Fair Market Value of the Project pursuant to this §8.6, the Partners shall first attempt to agree upon the selection of an Appraiser (as defined below). If agreed upon, then within 30 days of such selection, the Appraiser shall deliver to the Partners its determination of the fair market value of the

Project which shall then be the Fair Market Value of the Project for purposes of this §8.6. If the Partners are unable to agree upon an Appraiser, then each Partner shall select an Appraiser. Within 30 days of such selection, each of the Appraisers shall deliver to the Partners its determination of the fair market value of the Project. If the difference between the fair market value determinations of the two appraisers is equal to or less than 10% of the lower of the two fair market values, then the average of the fair market value determinations of the two Appraisers shall be the Fair Market Value of the Project for purposes of this §8.6. If the difference between the fair market value determinations of the two appraisers is more than 10% of the lower of the two fair market values, then the two appraisers shall mutually select a third Appraiser. Within 30 days of such selection, the third Appraiser shall deliver to the Partners its determination of the fair market value of the Project. If the third Appraiser's determination of fair market value is between the determinations of the other two Appraiser's determinations, then the third Appraiser's determination of fair market value shall be the Fair Market Value of the Project. If the third Appraiser's determination of fair market value is either lower or higher than the fair market value determination of both of the other two Appraisers, then the average of the third Appraiser's determination of fair market value and the fair market value of the other of the two appraisers that is closest to the fair market value of the third Appraiser shall be the Fair Market Value of the Project for purposes of this §8.6. For purposes of this §8.6, "Appraiser" mean an MAI designated appraiser licensed in the state in which the Project is located and having at least 5 years of substantive experience in appraising residential rental projects. If the parties agree upon an Appraiser, the appraisal will be paid for by the Partnership. If the parties are unable to agree upon an Appraiser, then each Partner shall bear the cost of the Appraiser it designates, and the cost of the third Appraiser, if necessary, will be split equally between the Partners.

(f) For the purposes of this §8.6, the Fair Market Value of the Limited Partner's Partnership Interest shall be equal to the amount, if any, that would be distributable to the Limited Partner if the Project were sold at its Fair Market Value as determined pursuant to subsection (e) above (or other price as set forth herein), all liabilities were paid in full, the Partnership was liquidated and the remaining funds were distributed to the Partners pursuant to this Partnership Agreement.

§8.7 Put Option. Commencing upon the expiration of the Compliance Period, the Limited Partner shall have the right to require the General Partner to purchase the Limited Partner's Partnership Interest ("Put Option") for a purchase price of One Thousand Dollars (\$1,000) ("Purchase Price"). The Put Option may be exercised by the Limited Partner giving written notice to the General Partner at any time on or after the expiration of the Compliance Period. In the event that the Limited Partner exercises its Put Option pursuant to this §8.7, the Purchase Price shall be paid to the Limited Partner in cash or immediately available funds, unless otherwise mutually agreed, at a closing to occur not later than 30 days after the Limited Partner has given notice to the General Partner of the exercise of the Put Option. The Limited Partner shall be responsible for the costs of its own attorneys' fees incurred in connection with the closing. All other costs of the purchase of the Limited Partner's Interest shall be paid by the General Partner. Upon receipt of the Purchase Price, the Limited Partner shall transfer the Partnership Interest free and clear of any liens, charges, encumbrances or interests of any third party and shall execute or cause to be executed any documents required to fully transfer

such Partnership Interest. As of the effective date of such closing, the Limited Partner shall have no further interest in the Partnership.

ARTICLE 9: TRANSFER OF GENERAL PARTNER'S PARTNERSHIP INTERESTS

§9.1 Voluntary Transfers. The Partnership shall not recognize any Voluntary Transfer of the General Partner's Partnership Interest and any such attempted Voluntary Transfer shall be invalid and ineffective as to the Partnership and the Limited Partner, unless and until: (a) the proposed transfer is of all the Partnership Interest owned by the General Partner; (b) the Limited Partner has received a written instrument of transfer of all such Partnership Interest, which instrument shall be signed by the General Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of an agreement to be bound by all of the terms and conditions of this Partnership Agreement; (c) the General Partner has paid or caused to be paid all costs related to such Voluntary Transfer, including, without limitation, the reimbursement of all legal fees and expenses incurred by the Limited Partner and the Partnership in connection with such transfer; (d) such Voluntary Transfer will not result in the termination of the Partnership for Federal income tax purposes; (e) such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for Federal income tax purposes; (f) the Partnership receives an opinion of legal counsel to the effect of clause (e); (g) such Voluntary Transfer will not result in a loss of Tax Credits to the Limited Partner; (h) the Limited Partner has consented in writing to such Voluntary Transfer, which consent may be arbitrarily withheld; and (i) such voluntary transfer complies with the terms of the Permanent Loan documents (so long as the Permanent Loan is outstanding).

Upon compliance with this §9.1, such transfer of the General Partner's Partnership Interest shall bind the Partnership and the Limited Partner and no such Voluntary Transfer shall cause the termination of the Partnership. In addition, effective as of the date of full compliance with the requirements of this §9.1, the transferee of the General Partner's Partnership Interest shall be admitted as a new General Partner of the Partnership and shall be vested with all the powers and obligations with respect to the management of the Partnership as are granted to and placed upon the transferor General Partner under this Partnership Agreement.

§9.2 Involuntary Transfers. An Involuntary Transfer of the General Partner's Partnership Interest at such time as there is more than one General Partner shall not dissolve the Partnership, but rather the business of the Partnership shall be continued without interruption and all of the management powers and authority granted herein to the General Partner making such Involuntary Transfer shall automatically be placed upon the remaining General Partner(s), unless the Limited Partner otherwise elects within thirty (30) days after the occurrence of such Involuntary Transfer to dissolve the Partnership and have the Partnership's affairs and business wound up and terminated pursuant to Article 10. An Involuntary Transfer of the General Partner's Partnership Interest when there is no other General Partner in existence shall dissolve the Partnership and the Partnership's affairs and business shall be wound up and terminated under Article 10, unless the Limited Partner agrees in writing to the continuation of the business of the Partnership and the appointment of a new General Partner pursuant to the provisions of §9.3.

§9.3 Continuation of Partnership After Involuntary Transfer of General Partner's Partnership Interest. Upon an Involuntary Transfer of the last remaining General Partner's Partnership Interest, the Partnership shall be dissolved and the affairs and business of the Partnership shall be wound up and terminated under Article 10, unless within ninety (90) days after the occurrence of such Involuntary Transfer, the Limited Partner agrees in writing to the

continuation of the business of the Partnership and the appointment of a new General Partner. Unless such an election is made within such 90 day period, the Partnership shall conduct only those activities which are necessary to wind up and terminate its affairs and business. If such an election is made within such 90 day period, then: (a) the reconstituted partnership shall continue until the end of the term of the Partnership's existence set forth in this Partnership Agreement; and (b) immediately upon its receipt of cash in an amount equal to the greater of (1) \$100 or (2) the then positive balance in its Capital Account, the former General Partner shall automatically (and without the need for the execution of any further documentation) be deemed to have relinquished its entire Partnership Interest, with such relinquished Partnership Interest being automatically allocated to the new General Partner.

§9.4 Distributions and Allocations with Respect to Transferred Partnership Interest. If any transfer (whether a Voluntary or Involuntary Transfer) of the General Partner's Partnership Interest is recognized by the Partnership under this Article 9, then all allocations of Profits and Losses attributable to the transferred Partnership Interest shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the Limited Partner which is then permitted under §706 of the Code and the Regulations promulgated thereunder. Any distributions of Cash Flow made prior to the effective date of any such transfer shall be made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee. Neither the Partnership nor the Limited Partner shall incur any liability for making allocations and distributions in accordance with the provisions of this §9.4.

§9.5 Voluntary Withdrawal. A General Partner shall not be permitted to voluntarily withdraw from the Partnership.

§9.6 Removal of General Partner. The Limited Partner shall have the right to remove the General Partner for any of the following reasons:

(a) Any fraud, intentional misconduct or gross negligence (but only to the extent such gross negligence has a material adverse effect on the Partnership, Project or Limited Partner) of the General Partner; or

(b) Any act by the General Partner outside the scope of its duties or obligations under this Partnership Agreement or any breach by the General Partner of any fiduciary duty to the Partnership or the Limited Partner, that has a material adverse effect on the Partnership, the Project or the Limited Partner; or

(c) Any action or inaction by the General Partner or any Affiliate of the General Partner that does, or with the passage of time would, (i) cause the termination of the Partnership for federal income tax purposes (except to the extent such action is expressly authorized herein), (ii) cause the Partnership to be treated for federal tax purposes as an association taxable as a corporation, (iii) violate any federal or state securities laws, (iv) cause the Partnership to fail to qualify as a limited partnership under the Act, (v) cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contribution, (vi) qualify as an event of removal or withdrawal with respect to the General

Partner under the Act, or (vii) otherwise substantially reduce tax benefits or substantially increase tax liabilities of the Limited Partner; or

(d) Any construction cost overruns or operating deficits are incurred by the Partnership and not funded by loans or other sources of funds on terms that do not adversely affect the Financial Forecasts or financial viability of the Project; or

(e) A default occurs under the Permanent Loan or Secondary Loan and such default is not cured or waived by the lender within any applicable cure period (provided that if such default is non-material and unlikely to have a material adverse effect on the Partnership, the Project or the Limited Partner, as determined by the Limited Partner in its sole discretion, then such default shall not be grounds for removal); or

(f) The General Partner fails to timely and promptly discharge the Management Agent if at any time cause (as such term is defined in §9.7 hereof) for such removal exists; or

(g) Any payment is required to be made by the General Partner pursuant to §§5.4(f), 5.4(h), 5.4(j), or 5.10 but is not timely made; or

(h) The General Partner permits the transfer of any interest in itself without the consent of the Limited Partner as required in §5.3(gg) of this Partnership Agreement; or

(i) The commencement by the General Partner or the Partnership of a case in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; or

(j) The failure of the General Partner to obtain the dismissal of any case commenced against the General Partner or the Partnership (i) for the appointment of a trustee for the General Partner or the Partnership, or any of its or their property or (ii) in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or any state relating to the relief of debtors; or

(k) The material inaccuracy of any representation or warranty of the General Partner contained in this Partnership Agreement, including without limitation those contained in §5.3 hereof; or

(l) The material breach by the General Partner of any covenant of the General Partner contained in this Partnership Agreement, including without limitation those contained in §5.3 hereof; or

(m) Any lender to the Partnership or other creditor of the Partnership files a foreclosure or other creditor's action for exercise of control over the Project or the rents therefrom; or

(n) The Partnership fails to achieve at least 80% of Projected Tax Credits with respect to any calendar year after the first year of the Credit Period; or

- (o) The occurrence of an “Event of Default” under the Guaranty Agreement.

The removal of the General Partner shall be effective immediately upon the General Partner’s receipt of written notice from the Limited Partner specifying the reason for such removal if the reason for such removal is a default under §9.6(a), (e), (i), (n) or (o) or if the Partnership files a bankruptcy or similar relief from creditors’ action. The removal of the General Partner shall be effective 30 days after the General Partner’s receipt of written notice from the Limited Partner specifying the reason for such removal if the reason for such removal is a default under §9.6(b), (c), (d), (f), (g), (h), (j), (k), (l), or (m) and the General Partner does not cure the default specified in such notice within such 30 day period; provided, however, if the General Partner is unable to effect a cure within such 30 day period despite using diligent efforts and the Limited Partner determines that the General Partner has commenced such cure, is diligently pursuing such cure and allowing the General Partner additional time to effect such cure will not have a material adverse effect on the Partnership or the Limited Partner, the General Partner shall be given additional time to effect such cure (not to exceed an additional 15 days) so long as the Managing Member continues to diligently pursue such cure. For the purposes of determining the effect of the removal of the General Partner upon the Partnership and the General Partner’s continuing interest in the Partnership, such removal shall be treated as an Involuntary Transfer of the General Partner’s Partnership Interest pursuant to §§9.2 and 9.3 hereof; provided, however, that notwithstanding such removal, the General Partner shall remain liable to the Partnership and the Limited Partner for (i) all obligations and liabilities (including, without limitation, its obligations to make any payments pursuant to §§5.4(f), 5.4(h), 5.4(j), and 5.10 of the Partnership Agreement and liabilities resulting from any breach of any of the representations and warranties set forth in §5.3 of this Partnership Agreement) incurred by it as the General Partner before the effective date of such removal but shall be free of any obligations and liabilities incurred on account of Partnership activities from and after the time of such removal and (ii) all damages and other amounts recoverable or payable hereunder or under applicable law by or to the Partnership or the Limited Partner as a result of the occurrence of the event giving rise to such removal.

The General Partner hereby irrevocably appoints the Limited Partner and the Asset Manager as its attorneys-in-fact to take all actions to effectuate the removal of the General Partner pursuant to this §9.6 and designation of a replacement general partner, which appointment is coupled with an interest and is irrevocable.

As compensation to the Partnership for a default leading to removal of the General Partner, the General Partner shall be deemed to have paid to the Partnership upon its removal as the general partner of the Partnership the amount of any unpaid portion of the Development Fee and such amount shall be deemed paid by the Partnership to the Developer in satisfaction of the unpaid portion of the Development Fee.

§9.7 Removal of Management Agent. The General Partner shall, either on its own or upon the written request of the Asset Manager, promptly remove the Management Agent if cause for such removal exists. As used herein, “cause” shall include, but not be limited to, any one of the following: (i) failure to promptly and competently perform (after any applicable notice and cure period) all duties of the Management Agent under the management agreement with the Partnership, (ii) failure of the Project to generate at least 90% of the Projected Tax Credits in any calendar year, (iii) failure to materially comply with the record keeping, tenant qualification and

rental requirements of the Restrictive Covenant and §42 of the Code and the Regulations, rulings and policies related thereto, or (iv) material mismanagement of the Project.

§9.8 Security Interest. In order to secure each and every obligation of the General Partner to the Partnership and the Limited Partner under this Partnership Agreement, the General Partner shall enter into a Security Agreement with the Partnership and the Limited Partner pursuant to which the General Partner shall pledge all of its right, title and interest in and to its interest in the Partnership to the Partnership and the Limited Partner. Upon the request of any unrelated lender of any of the Permanent Loan, the security interest of the Partnership and the Limited Partner referred to above shall be subordinated in favor of a security interest granted to any such lender.

ARTICLE 10: DISSOLUTION, WINDING UP AND TERMINATION

§10.1 Dissolution. The Partnership shall dissolve upon the occurrence of any of the following events:

- (a) The expiration of the term of the Partnership's existence;
- (b) The sale or other disposition of all or substantially all of the Partnership Property and the Partnership's receipt of all or substantially all of the proceeds therefrom;
- (c) The Partners' mutual election to dissolve the Partnership;
- (d) After the end of the Compliance Period, the Limited Partner's election to dissolve the Partnership;
- (e) The failure of the Limited Partner to agree in writing at the time and in the manner provided in §9.3 to the continuation of the business of the Partnership and the appointment of a new General Partner upon the occurrence of an Involuntary Transfer of the last remaining General Partner's Partnership Interest or the removal of the General Partner; or
- (f) The Limited Partner's election pursuant to §9.2 to dissolve the Partnership upon the occurrence of an Involuntary Transfer of the General Partner's Partnership Interest, notwithstanding the fact that one or more other General Partners are in existence at such time.

§10.2 Winding Up and Termination. Upon the dissolution of the Partnership, the affairs and business of the Partnership shall be wound up and terminated, the Partnership's liabilities shall be discharged and the Partnership Property shall be liquidated and distributed in the manner hereinafter described. A reasonable time shall be allowed for the orderly winding up of the affairs and business of the Partnership so as to enable the Partnership to minimize the normal losses attendant to the winding up and termination period. The winding up and termination of the affairs and business of the Partnership shall be supervised and conducted by the Liquidation Manager. The Liquidation Manager shall have the exclusive power and authority to act on behalf of the Partnership to wind up and terminate the affairs and business of the Partnership, to sell and convey the Partnership Property to such Persons (including, without limitation, any Partner or any Affiliate thereof) for such consideration and upon such terms and conditions as it deems necessary or appropriate, to discharge the Partnership's liabilities, to establish any reserves that it deems necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership, and to distribute the liquidation proceeds in the manner hereinafter described.

Upon completion of the winding up of the affairs and business of the Partnership, the liquidation proceeds shall be distributed by the Liquidation Manager in the following manner and order of priority:

- (a) First, such liquidation proceeds shall be applied to the payment of debts and liabilities of the Partnership (excluding any loans made by a Partner or an Affiliate of a

Partner and any unpaid Development Fee) and the payment of expenses of the winding up of the affairs and business of the Partnership;

(b) Second, such liquidation proceeds shall be applied to the setting up of any reserves (to be held by the Liquidation Manager in an interest bearing account) which the Liquidation Manager may deem necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership; provided, however, that at the expiration of such time as the Liquidation Manager deems necessary or appropriate, the balance of such reserves remaining after payment of such liabilities or obligations shall be distributed by the Liquidation Manager in the manner hereinafter set forth in this §10.2; and

(c) Third, such liquidation proceeds shall be paid to satisfy debts and liabilities owed to Partners and their Affiliates described in §4.2(a)(6) and in accordance with the priority set forth therein; and

(d) Fourth, such liquidation proceeds shall be distributed in compliance with §1.704-1(b)(2)(ii)(b)(2) of the Regulations to the Partners in accordance with their positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods, including, without limitation, the allocations to be made under §3.2(m) hereof.

§10.3 Compliance with Liquidation Requirements of Regulations. If the Partnership is “liquidated” within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations, then:

(a) Distributions shall be made pursuant to §10.2 (if such “liquidation” constitutes a dissolution and termination of the Partnership) to the Partners who have positive balances in their Capital Accounts in compliance with §1.704-1(b)(2)(ii)(b)(2) of the Regulations;

(b) Intentionally Deleted;

(c) If the Limited Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including, without limitation, the taxable year in which such liquidation occurs), then the Limited Partner shall contribute to the capital of the Partnership the lesser of (i) such deficit balance in its Capital Account or (ii) the limited dollar amount, if any, of its Capital Account deficit which the Limited Partner has expressly agreed in writing to restore to the capital of the Partnership pursuant to §10.4; and

(d) Any such contribution by a Partner shall be made on or before the later of (1) the end of the taxable year of the “liquidation” or (2) ninety (90) days after the date of the “liquidation”.

Notwithstanding anything to the contrary contained in this §10.3, in the event the Partnership is “liquidated” within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations, but such “liquidation” does not constitute a dissolution and termination of the Partnership pursuant to this Partnership Agreement, then no distributions shall be made pursuant to §10.2. Instead, the Partnership shall be deemed to have contributed the Partnership Property subject to all Partnership liabilities to a new “Partnership”, (which shall be deemed to be the “Partnership” governed by this

Partnership Agreement) in exchange for an interest in the new “Partnership” and, immediately thereafter, the Partnership liquidates by distributing interests in the new “Partnership” to the then Partners in proportion to their respective interests in the Partnership, followed by the continuation of the business by the new “Partnership.” The Capital Accounts of the then Partners of the Partnership shall be their Capital Accounts of the new “Partnership.”

§10.4 Rights and Obligations of Limited Partner Upon Dissolution. The Limited Partner shall look solely to the assets of the Partnership (and not to the assets of the General Partner) for the return of its Capital Contribution. Except as otherwise elected by the Limited Partner pursuant to this §10.4, the Limited Partner shall not have any obligation to restore any deficit in its Capital Account upon the liquidation of the Partnership. Notwithstanding anything to the contrary contained in this Partnership Agreement, the Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Limited Partner’s delivery of a written notice of election to the General Partner no later than April 15 following the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that the Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of the Limited Partner’s Partnership Interest.

§10.5 Waiver of Partition. Each Partner hereby waives any right to partition or cause a partition of the Partnership Property.

§10.6 Final Accounting. The Liquidation Manager shall furnish each of the Partners with a final accounting and a statement setting forth the assets and liabilities of the Partnership as of the date of the completion of the winding up and termination of the affairs and business of the Partnership. Upon completion of the distribution plan set forth in this Article 10, the Liquidation Manager shall cause to be executed by the appropriate parties and filed in such public offices as shall be required under the Act a cancellation of the certificate of limited partnership of the Partnership and any and all other documents which the Liquidation Manager deems necessary or appropriate to effect the dissolution and termination of the Partnership.

ARTICLE 11: MISCELLANEOUS

§11.1 Notices and Addresses. All notices, consents, demands, elections, requests, or other communications which may or are required to be given hereunder shall be in writing and shall be sent by telefax, overnight courier or United States mail, registered or certified, return receipt requested, postage prepaid to the Partnership at the address of the Partnership's principal office and to the Partners at the addresses set forth after their respective names in Article 1. The Partnership and any Partner may change its address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the Partnership and to all the Partners of its new address for such purpose. Notices, consents, demands, requests, or other communications shall be deemed given or served on the day when sent by telefax, one business day after deposit with an overnight courier or three business days after deposit in the United States mail.

§11.2 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.

§11.3 Counterparts. This Partnership Agreement may be executed in several counterparts, all of which shall constitute one agreement, binding on all parties hereto, notwithstanding that all the parties are not signatories to the same counterpart.

§11.4 Applicable Law. This Partnership Agreement and the rights of the Partners hereunder shall be interpreted in accordance with the laws of the State of Connecticut.

§11.5 Successors. This Partnership Agreement shall inure to the benefit of, be binding upon, and be enforceable by and against the parties hereto, their heirs, executors, administrators, successors, and assigns.

§11.6 Severability. The invalidity or unenforceability of any provision of this Partnership Agreement in a particular respect shall not affect the validity and enforceability of any other provisions of this Partnership Agreement or of the same provision in any other respect.

§11.7 Exhibits. All exhibits attached hereto or referred to herein are incorporated herein by this reference.

§11.8 Limitation of Benefits. It is the explicit intention of the Partners that no person or entity other than the Partners and the Partnership is or shall be entitled to bring any action or enforce any provision of this Partnership Agreement against any Partner or the Partnership, and that the covenants, undertakings and agreements set forth in this Partnership Agreement shall be solely for the benefit of and shall be enforceable only by the Partners and the Partnership and their respective successors and assigns as permitted hereunder); provided, however, that the Developer shall be a third-party beneficiary of the provisions of §2.1(c) obligating the General Partner to make a Capital Contribution in the amount of the outstanding balance of the Deferred Development Fee and the Developer shall have the right to enforce such obligation of the General Partner.

§11.9 Entire Agreement. Other than the Commitment Letter, which shall, except to the extent inconsistent or in conflict with this Partnership Agreement, survive the execution of this Partnership Agreement, this Partnership Agreement contains the entire agreement among the Partners with respect to the transactions contemplated herein, and this Partnership Agreement supersedes all prior or written agreements, commitments, or understandings with respect to the matters provided for herein and therein.

§11.10 Broker's Commission and Indemnity. Each of the parties to this Partnership Agreement warrants and represents to the others that it has not been introduced to the other party by any broker, nor has it been in contact with any real estate or business broker or consultant otherwise than as specified in this Partnership Agreement regarding the Project; and each party to this Partnership Agreement agrees to indemnify and hold the other party harmless from all suits, claims, actions, loss or expenses (including reasonable attorneys' fees) arising from the claim of any person to a brokerage or other commission in connection with this transaction and resulting from contact with or other action, alleged or actual, of the indemnifying party.

§11.11 Amendment of Partnership Agreement. This Partnership Agreement may not be amended in whole or in part except by a written instrument signed by all Partners.

§11.12 Signage. The General Partner shall cause the name "Key Community Development Corporation" and the Limited Partner's logo (the form of which logo the Limited Partner shall provide to the General Partner) to be prominently displayed on all construction site signage for the Project. All construction site signage shall be approved in writing by the Limited Partner, which approval shall not be unreasonably withheld. The Limited Partner shall be entitled to use the Capital Contribution amount, the Partnership's name and the Project's location in any advertisement.

§11.13 Single Purpose Entity Requirements. For so long as the Permanent Loan is outstanding, the Partnership will remain a "Single Purpose Entity," which means at all times since its formation and thereafter it will satisfy each of the following conditions (for purposes of this Section 11.13, any capitalized terms not defined herein have the meaning ascribed to them in the Permanent Loan Continuing Covenant Agreement by and among the Partnership and Funding Lender, dated on or about the date hereof):

(a) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.

(b) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.

(c) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.

(d) It will not merge or consolidate with any other Person.

(e) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Continuing Covenant Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.

(f) It will not, without the prior unanimous written consent of all of Partnership's partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of the Partnership, take any of the following actions:

(i) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Partnership or any SPE Equity Owner be adjudicated bankrupt or insolvent.

(ii) Institute proceedings under any applicable insolvency law.

(iii) Seek any relief under any law relating to relief from debts or the protection of debtors.

(iv) Consent to the filing or institution of bankruptcy or insolvency proceedings against the Partnership or any SPE Equity Owner.

(v) File a petition seeking, or consent to, reorganization or relief with respect to the Partnership or any SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency.

(vi) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for the Partnership or a substantial part of its property or for any SPE Equity Owner or a substantial part of its property.

(vii) Make any assignment for the benefit of creditors of the Partnership or any SPE Equity Owner.

(viii) Admit in writing the Partnership's or any SPE Equity Owner's inability to pay its debts generally as they become due.

(ix) Take action in furtherance of any of the foregoing.

(g) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in Section 6.13 of the Continuing Covenant Agreement.

(h) It will not own any subsidiary or make any investment in, any other Person.

(i) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.

(j) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:

(i) The Indebtedness and any Supplemental Loans.

(ii) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.

(k) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that the Partnership's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of the Partnership from such Affiliate and to indicate that the Partnership's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets will also be listed on the Partnership's own separate balance sheet.

(l) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of the Partnership or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

(m) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(n) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Project Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.

(o) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Financing Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).

(p) It will file its own tax returns separate from those of any other Person, unless the Partnership (A) is treated as a "disregarded entity" for tax purposes and is not required

to file tax returns under applicable law or (B) is required by applicable law to file consolidated tax returns, and will pay any taxes required to be paid under applicable law.

(q) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.

(r) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, that nothing in Section 6.13(a)(xviii) of the Continuing Covenant Agreement will require any member or partner of the Partnership or any of its principals to make any equity contribution to the Partnership.

(s) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.

(t) It will pay (or cause the Property Manager to pay on behalf of the Partnership from the Partnership's funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, that nothing in Section 6.13(a)(xx) of the Continuing Covenant Agreement will require any member or partner of the Partnership or any of its principals to make any equity contribution to the Partnership.

(u) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.

(v) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.


(w) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, that nothing in Section 6.13(a)(xxiii) of the Continuing Covenant Agreement will require any member or partner of the Partnership or any of its principals to make any equity contribution to the Partnership.

[No further text on this page; signature page follows.]

The Partners have executed this Partnership Agreement as of the date first set forth at the beginning hereof.

GENERAL PARTNER:

ST. MARTINS PRESERVATION II GP LLC,
a Connecticut limited liability company

By: 
Name: John Tatum
Title: Authorized Signatory

WITHDRAWING ORIGINAL LIMITED PARTNER:

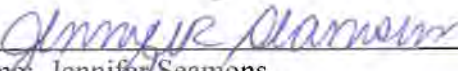
FAIRSTEAD AFFORDABLE LLC,
a Delaware limited liability company

By: 
Name: John Tatum
Title: Authorized Signatory

[Signature continues on next page.]

LIMITED PARTNER:

**KEY COMMUNITY DEVELOPMENT
CORPORATION**

By: 
Name: Jennifer Seamons
Title: Senior Vice President

This instrument prepared by:

**Squire Patton Boggs (US) LLP
2000 Huntington Center
41 South High Street
Columbus, Ohio 43215**

APPENDIX I

DEFINITIONS

The capitalized words and phrases used in the Second Amended and Restated Limited Partnership Agreement for St. Martins Preservation II Limited Partnership shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

“Accountant” means Berdon, LLP or Dauby O’Connor & Zaleski, LLC or such other certified public accountant as is selected by the General Partner with the prior written approval of the Limited Partner; provided, however, that the General Partner shall not need to obtain the Limited Partner’s consent if the General Partner selects a “Big 4” accounting firm as the Accountant.

“Act” means the Connecticut Revised Uniform Limited Partnership Law, as the same may be amended from time to time (or any corresponding provisions of any successor law).

“Actual Tax Credits” means the Tax Credits to which the Limited Partner is actually entitled pursuant to §42 of the Code.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’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 Partner is obligated to restore under this Partnership Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of §1.704-2(g)(1) and §1.704-2(i)(5) of the Regulations; and (b) the debit to such Capital Account of the amounts described in §1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of §1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

“Affiliate” means, with respect to any Person: (a) any Person directly or indirectly controlling, controlled by or under common control with such Person; (b) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such Person; (c) any officer, director, manager or general partner of such Person; or (d) any Person who is an officer, director, general partner, manager, trustee or holder of ten percent (10%) or more of the voting securities of any Person described in clauses (a) through (c) of this subparagraph.

“Applicable Federal Rate” means the minimum interest rate that can be charged without attribution of interest under Code §1274(d).

“Applicable Percentage” means the applicable percentage for the Project determined in accordance with §42(b)(1) of the Code.

“Asset Manager” means Key Community Development Corporation or its designee.

“Asset Management Fee” means an annual fee of \$5,000, increased annually by 3%, payable in advance and accruing to the extent unpaid.

“Assignee” means a Person to whom all or any part of the Limited Partner’s Partnership Interest has been transferred in a manner permitted under this Partnership Agreement, but who has not been admitted to the Partnership as a Substituted Limited Partner with respect to the transferred Partnership Interest.

“Breakeven Period” means the period beginning with Construction Completion and ending with Breakeven Operations.

“Breakeven Operations” means the date upon which (i) at least 90% of the Project’s rental Units have been occupied by tenants actually paying rents at monthly rates at least equal to those assumed in the Financial Forecasts for a period of three (3) consecutive calendar months and (ii) the revenues from the normal operation of the Project received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Partnership) for a period of three (3) consecutive calendar months after the Construction Completion, equals or exceeds all accrued operational costs of the Project (including, but not limited to, taxes, assessments, the Asset Management Fee to the extent not previously paid, and replacement reserve deposits) and debt service payments for the Permanent Loan and any other “hard” or must pay debt, and a ratable portion of the annual amount (as reasonably estimated by the General Partner) of seasonal and/or periodic expenses (such as utilities, maintenance expenses and real estate taxes) which might reasonably be expected to be incurred on an unequal basis during a full annual period of operations, for such a period of three (3) consecutive calendar months on an annualized basis, as evidenced by a certification of the General Partner (with an accompanying unaudited income statement and balance sheet of the Partnership) certifying that all trade payables have been satisfied or will be satisfied by cash held by the Partnership within thirty (30) days of the date of such certification.

“Capital Account” means, with respect to any Partner, the capital account maintained for such Partner pursuant to §2.5.

“Capital Contribution” means, with respect to any Partner, the amount of money and the fair market value of property contributed to the Partnership by such Partner.

“Cash Flow” means, with respect to any fiscal year of the Partnership, the gross cash receipts of the Partnership, reduced by the sum of the following: (a) all principal and interest payments and other sums paid on or with respect to the Permanent Loan, or any other loan to the Partnership other than the Secondary Loan, the Development Note or loans to the Partnership from the General Partner or the Developer or the Guarantor or any of their respective Affiliates, including pursuant to §2.6, §5.4(h), or §5.4(j) hereof or the Guaranty Agreement, or the Limited Partner; (b) all cash expenditures incurred incident to the operation of the Partnership’s business, (including, without limitation, any capital expenditures in excess of funds withdrawn from the Replacement Reserve for such purpose); (c) the current Asset Management Fee; and (d) such cash as is necessary to (i) fund the Replacement Reserve, (ii) pay all accrued, outstanding trade payables, and (iii) establish any additional reserves as the Partners shall from time to time agree to establish. Net Cash from Sales and Refinancing and the proceeds of the Capital Contributions shall be excluded from gross cash receipts and Cash Flow for this purpose.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.

“Code” means the Internal Revenue Code of 1986, as the same may be amended from time to time (or any corresponding provisions of any successor law).

“Commitment Letter” means that certain letter to Fairstead Affordable from Key Community Development Corporation dated September 25, 2018.

“Compliance Period” means, with respect to the Project, the 15 year compliance period specified in §42(i)(1) of the Code.

“Construction Completion” means the date of issuance of the certificate of occupancy (or equivalent municipal building official approval of completed work) for the Project’s last completed building.

“Construction Completion Date” means December 31, 2019.

“Credit Deficiency” means the Projected Tax Credits (reduced by any reduction in Capital Contributions and any amounts paid to the Limited Partner pursuant to §5.10) less the aggregate amount of Tax Credits received by the Limited Partner which shall be computed no sooner than at the end of the Compliance Period. For this purpose, the Limited Partner shall be considered to have received Tax Credits in the amount allocated to the Limited Partner on the Partnership’s federal income tax returns reduced by (a) any adjustment of the Partnership’s tax return that is made or claimed by the Service, except to the extent that such adjustment or claimed adjustment is rejected or overturned by the Service or a court and the order of such court is beyond the time for appeal; and (b) the amount of any recapture or claimed recapture of such Credits (other than recapture caused by the action of the Limited Partner and not including recapture which is rejected by the Service or a court).

“Credit Deficiency Gross Tax Amount” means the product of (a) the sum of the Credit Deficiency and the Interest Adjustment, multiplied by (b) one and one-half.

“Credit Period” means, with respect to any building the period described in Code §§42(f)(1) and (2), which generally is the period of ten (10) taxable years beginning with (a) the taxable year in which the building is placed in service or (b) at the election of the taxpayer, the succeeding taxable year, but only if the building is a qualified low-income building (as defined in the Code) as of the close of the first year of such period. Special rules apply to the determination of the Credit Period for multiple building Projects and the Credit Period may include the eleventh (11th) year of such period as provided in Code §42(f)(2).

“Debt Coverage Ratio” means the ratio of (a) annual gross rents and rental subsidy assuming 100% occupancy (less the applicable Vacancy Factor) less the greater of (i) all actual accrued and accruable annual operating expenses (adjusted for seasonal fluctuations in expenses such as taxes and utilities), or (ii) underwritten operating expenses as set forth on the Financial Forecast, to (b) mandatory principal and interest payments due on must-pay debt.

“Developer” means FA Developer LLC, a Delaware limited liability company.

“Development Agreement” means the development agreement entered into or to be entered into by the Partnership and the Developer pursuant to which the Developer shall assume primary responsibility for overseeing the development of the Project and bearing certain cost overruns.

“Development Fee” means \$803,680 (plus certain cost savings realized by the Partnership, as described in the Development Agreement) payable at the times and upon the conditions set forth in the Development Agreement

“Development Note” means the promissory note payable to the Developer by the Partnership in the amount of the unpaid balance of the Development Fee upon the payment of the final Capital Contribution of the Limited Partner, which is expected to be \$340,090. The principal balance of the Development Note shall bear interest at three percent (3%) per annum. The Development Note shall be in the form attached as an Exhibit to the Development Agreement.

“Disposition Fee” shall have the meaning attributed thereto in §5.5(b) of this Partnership Agreement.

“Due Diligence Fee” means a fee in the amount of \$60,000 payable as described in §5.5(e).

“Eligible Basis” means, generally, the adjusted basis of a building for depreciation purposes determined as of the close of the first taxable year of the Credit Period, subject to certain exclusions as set forth in the Code.

“Environmental Reports” means that certain Phase I Environmental Site Assessment dated November 26, 2018.

“Fifty Percent Test” means the determination, made in accordance with Section 42(h)(4)(B) of the Code, that fifty percent (50%) or more of the Project’s aggregate basis of any building and the land on which the building is located is financed by the proceeds of a tax exempt loan subject to the Project state’s volume cap.

“Fifth Installment” has the meaning set forth in §2.2(a)(5) of this Partnership Agreement.

“Final Determination Letter” means the final determination letter from the Issuer or, as provided by Regulation §1.42-17(a)(6), the State Housing Finance Agency stating that, pursuant to Code Section 42(m)(1) and (m)(2), the Project qualifies for a tax credit allocation in an amount anticipated to be not less than \$514,301 annually, that the Project is consistent with the State of Connecticut’s qualified allocation plan, and that it is issued in connection with IRS Form(s) 8609. If the Final Determination Letter is for an amount less than \$514,301 annually, a Credit Adjuster pursuant to §5.10 shall apply.

“Financial Forecasts” means the Financial Forecasts attached hereto as Appendix II.

“First Installment” has the meaning set forth in §2.2(a)(1) of this Partnership Agreement.

“First Year Tenant Files” means such information or documents that evidence the tenant’s qualification to occupy the Project unit, including, but not limited to, tenant applications, executed tenant lease agreements, tenant income and asset certifications and verifications, student status

verification, and rent rolls obtained by the Management Agent with respect to those tenants who occupy the Project units during the period beginning with the date that the Project achieves placement in service for federal income tax purposes and ending with the date that the Project achieves Qualified Occupancy.

“Fiscal Agent” means U.S. Bank National Association.

“Fourth Installment” has the meaning set forth in §2.2(a)(4) of this Partnership Agreement.

“Form of Requisition” means the Form of Requisition attached hereto as Appendix IV.

“Funding Lender” means KeyBank National Association.

“General Partner” means St. Martins Preservation II GP LLC, a Connecticut limited liability company, or any other Person who becomes a successor general partner pursuant to §9.1 or §9.3.

“Governmental Lender” means the Housing Authority of the City of New Haven.

“Guarantor” means, collectively, Stuart Feldman, Jeffrey Goldberg, and Fairstead Affordable LLC, a Delaware limited liability company.

“Guaranty Agreement” means the Guaranty Agreement between the Partnership and the Guarantor dated as of the date hereof.

“HAP Contract” means a fully executed HAP contract providing rent subsidies for 63 units at the amount assumed in the Financial Forecasts for a term at least equal to the Compliance Period.

“Hazardous Substance” means any of the following: (1) petroleum, crude oil, or any fraction of petroleum or crude oil; or (2) any substance defined as a hazardous substance, hazardous material, hazardous waste, chemical substance, toxic substance or toxic waste in (i) CERCLA, (ii) the Hazardous Materials Transportation Act, as amended, 39 U.S.C. Section 1801 et seq., (iii) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., (iv) the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., (v) any similar applicable state or local law, or (vi) any regulation adopted or publication promulgated pursuant to any such law.

“Incentive Partnership Management Fee” means the fee payable to the General Partner pursuant to §4.1(a)(9).

“Interest Adjustment” means an amount equal to the interest which, as of the date of an event which results in a distribution of the amount of the Credit Deficiency to the Limited Partner, would have accrued upon each Shortfall (as defined below) of Tax Credits had such interest been accruing annually at the federal long term rate (as defined in §1274(d) of the Code) in effect in January of each year beginning with the year succeeding the tax year in which the Shortfall occurred. As used herein, a “Shortfall” shall mean the difference between (a) the Projected Tax Credits allocable to each tax year of the Credit Period (as defined in §42(f)(1) of the Code), less (b) the amount of Tax Credits actually received by the Limited Partner for each such tax year. For

purposes of calculating a Shortfall, the amount of Tax Credits actually received shall be the amount allocated to the Limited Partner on the Partnership's federal income tax return for such year, reduced by (y) any adjustment of the Partnership's tax return that is made or claimed by the Service, except to the extent that such adjustment or claimed adjustment is rejected or overturned by the Service or a court in an order which is beyond the time for appeal or which is not appealable, and (z) the amount of any recapture (other than recapture caused by the action of the Limited Partner and not including recapture which is rejected by the Service or a court in an order which is beyond the time for appeal or which is not appealable). A Shortfall for a taxable year shall be deemed to have occurred on the following March 15.

"Involuntary Event" means, with respect to any Partner any one of the following events: (a) the making of an assignment for the benefit of creditors by the Partner; (b) the filing of a voluntary petition in bankruptcy by the Partner; (c) the adjudication of the Partner as a bankrupt or insolvent; (d) the filing of a petition or answer by the Partner seeking for himself a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule; (e) the seeking, consenting to or acquiescence of the Partner in the appointment of a trustee, receiver, or liquidator of the Partner or of all or any substantial part of the Partner's properties; (f) the death of any Partner who is a natural person; or (g) the termination (other than terminations which are in form only and the business of the Partner is continued) of the legal existence of any Partner who is other than a natural person.

"Involuntary Transfer" means any transfer of any Partner's Partnership Interest effected by operation of law as a result of the occurrence of an Involuntary Event.

"IRS" means the Internal Revenue Service.

"Issuer" means the Housing Authority of the City of New Haven, Connecticut.

"Limited Partner" means Key Community Development Corporation or any Person who becomes a Substituted Limited Partner for any such Person pursuant to §8.1 or §8.2.

"Liquidation Manager" means any Person selected by the General Partner with the consent of the Limited Partner, not to be unreasonably withheld, conditioned or delayed.

"Loan Shortfall" and "Loan Shortfall Note" have the meanings set forth in §5.4(j) hereto.

"Management Agent" means initially SHP Management Corp., a Maine corporation, or such other Management Agent as is selected by the General Partner with the consent of the Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. The Management Agent shall act as property manager for the Project pursuant to a management agreement approved in writing by the Asset Manager. The Management Agent fee shall currently be 2.35% of collected rents, and shall not exceed 6% of collected rents without the prior written consent of the Limited Partner which shall not be unreasonably withheld, and no other fees for leasing, accounting or other services shall be paid to the Management Agent without the prior written consent of the Limited Partner. The General Partner shall cause any management agreement between the Partnership and a Management Agent that is Affiliated with the General Partner to contain a provision that the payment of the Management Agent's fee shall be deferred and accrued to the extent necessary to enable the Partnership to pay the outlays described in items (a) through (d)

(other than the Management Agent's fee) of the definition of "Cash Flow" contained herein. In addition, the General Partner shall cause every management agreement to contain provisions authorizing the General Partner and Partnership to terminate the management agreement for cause, including the events of "cause" set forth in §9.7 of the Partnership Agreement.

"Net Cash from Sales and Refinancings" means, with respect to any fiscal year of the Partnership, the cash proceeds from Partnership sales or refinancings reduced by (a) all reasonable costs and expenses incurred by the Partnership in connection with such sale or refinancing, and (b) all principal and interest payments and other sums paid on or with respect to any indebtedness of the Partnership other than (i) the Secondary Loan, (ii) the Development Note and (iii) amounts treated as loans pursuant to this Partnership Agreement from the General Partner, Developer or Guarantor or any of their respective Affiliates or the Limited Partner. Net Cash from Sales and Refinancing shall include all principal and interest payments with respect to any note or other obligation received by the Partnership in connection with the sale or other disposition of Project.

"Net Effective Income" means all amounts actually collected by the Management Agent as rents or other payments, excluding (i) income derived from interest or investments, (ii) discounts and dividends on insurance, and (iii) tenant deposits.

"Nonrecourse Deduction" has the meaning set forth in §1.704-2(b)(1) of the Regulations. The amount of Nonrecourse Deductions for any fiscal year of the Partnership equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during that fiscal year reduced (but not below zero) by the aggregate amount of any distributions during that fiscal year of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined in accordance with §1.704-2(c) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in §1.704-2(b)(3) of the Regulations.

"Operating Deficit" means the amount by which the revenues of the Partnership from rental payments made by tenants of the Project, and all other revenues of the Partnership (other than proceeds of any loans to the Partnership and investment earnings on funds on deposit in the reserve fund for replacements and other such reserve or escrow funds or accounts) for a particular period of time (which shall be measured on a monthly basis and funded as necessary during the Operating Guaranty Period) is exceeded by the sum of all of the operating expenses, including all debt service, operating and maintenance expenses, required deposits into the reserve fund for replacements and reserve accounts, payment of the Asset Management Fee, any fees to lenders and/or any applicable mortgage insurance premium payments and all other Partnership obligations or expenditures, excluding payments for construction of the Project and fees and other expenses and obligations of the Partnership to be paid from the Capital Contributions of the Limited Partner to the Partnership pursuant to this Partnership Agreement, during the same period of time. Operating Deficits shall also include all cash expenditures or amounts budgeted to be spent for capital improvements during the same period described above.

"Operating Guaranty Amount" means \$915,000.

"Operating Guaranty Period" means the period beginning with date that Breakeven Operations occurs and ending on December 31 of the year which is the later of (i) the year in which

the fifth anniversary of the achievement of Breakeven Operations occurs, and (ii) the year in which occurs the date on which each of the following is true (a) the Partnership achieving a 1.20 to 1 Debt Coverage Ratio for the year immediately preceding the year in which the Operating Guaranty Period would end as shown in the audited financial statements for such year, and (b) the balance in the Operating Reserve Account is equal to or greater than the Operating Reserve Amount.

“Operating Reserve” means the Operating Reserve Amount to be funded out of the Seventh Installment of the Limited Partner Capital Contribution payment specified in §2.2(a) or proceeds from the Permanent Loan, whichever is available first, which reserve shall be held for working capital and operating purposes and contingencies, excluding project repairs and replacements which are to be covered by the Replacement Reserve.

“Operating Reserve Account” means a segregated Partnership bank account established to hold the Operating Reserve, which account shall be maintained at KeyBank National Association.

“Operating Reserve Amount” means \$302,626.

“Original Limited Partner” means Fairstead Affordable LLC, a Delaware limited liability company.

“Partner” means the General Partner or the Limited Partner.

“Partner Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with §1.704-2(i) of the Regulations.

“Partner Nonrecourse Debt” has the meaning set forth in §1.704-2(b)(4) of the Regulations.

“Partner Nonrecourse Deductions” has the meaning set forth in §1.704-2(i)(2) of the Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership fiscal year equals the net increase during that fiscal year in Partner Nonrecourse Debt reduced (but not below zero) by the proceeds of the Partner Nonrecourse Debt distributed during that fiscal year to the Partner bearing the economic risk of loss for the Partner Nonrecourse Debt that are both attributable to the Partner Nonrecourse Debt and allocable to an increase in Partner Minimum Gain, as determined in accordance with §1.704-2(i)(2) of the Regulations.

“Partnership” means St. Martins Preservation II Limited Partnership, a Connecticut limited partnership.

“Partnership Agreement” means the Partnership’s Second Amended and Restated Limited Partnership Agreement, as the same may be amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” “hereto” and “hereunder” refer to this Partnership Agreement as a whole, unless the context otherwise requires.

“Partnership Interest” means the entire ownership interest of a Partner, including, without limitation, the rights and obligations of such Partner under this Partnership Agreement and the Act.

“Partnership Minimum Gain” has the meaning set forth in §1.704-2(d) of the Regulations.

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

“Permanent Credit Shortfall” has the meaning set forth in §5.10(a) hereto.

“Permanent Credit Shortfall Adjustment” has the meaning set forth in §5.10(a) hereto.

“Permanent Loan” means that certain first-priority mortgage loan from the Governmental Lender to the Partnership in the original principal amount not to exceed \$9,516,000 with a term of 16 years, accruing interest at a rate of 3.82% and amortizing over 35 years, which loan shall be assigned to the Fiscal Agent upon closing.

“Person” means any individual, partnership, limited liability company, corporation, trust or other entity.

“Plans and Specifications” mean the plans and specifications for the Project approved in writing by the Limited Partner.

“Prime Rate” means the interest rate announced from time to time by KeyBank National Association, or its successor, as its prime lending rate which may not be KeyBank’s lowest rate of interest charged to borrowers, expressed as a per cent per annum. The “Prime Rate” shall be determined on a daily basis.

“Preliminary Determination Letter” means the preliminary determination letter from the Issuer or, as provided by Regulation §1.42-17(a)(6), the State Housing Finance Agency stating that, pursuant to Code Section 42(m)(1) and (m)(2), the Project qualifies for a tax credit allocation in an amount anticipated to be not less than \$522,213 annually and that the Project is consistent with the State of Connecticut’s qualified allocation plan.

“Profits” and “Losses” mean, for each fiscal year of the Partnership, an amount equal to the Partnership’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 Partnership that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Partnership 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 Partnership Property is revalued in accordance with §1.704-1(b)(2)(iv)(f) of the Regulations, then the amount of any adjustment to the value of such Partnership Property shall be taken into account as gain or loss from the disposition of such Partnership Property for purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of Partnership Property which has been revalued pursuant to §1.704-1(b)(2)(iv)(f) of the Regulations 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 Partnership Property, notwithstanding that the adjusted tax basis of such Partnership Property 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 Partnership Property

which has been revalued in accordance with §1.704-1(b)(2)(iv)(f) of the Regulations; and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to §§3.2 (a) and (d) through (l) shall not be taken into account in computing Profits or Losses.

“Project” means 63 housing units at a site located at 148-220 Goffe Street, New Haven, New Haven County, Connecticut.

“Projected Tax Credits” means 30% present value Tax Credits from the State of Connecticut in an amount equal to \$259,165 for the year 2019, \$514,249 for each year of 2020 through 2028 and \$255,084 for year 2029 (the foregoing amounts represent 99.99% of the total Tax Credits projected for the Partnership). The Projected Tax Credits shall be deemed amended and revised to reflect the Projected Tax Credits calculated in any revised Financial Forecast prepared pursuant to §5.10(a) and §5.10(b) of this Partnership Agreement.

“Qualified Basis” has the meaning set forth in §42(c) of the Code.

“Qualified Occupancy” means occupancy of residential units in the Project by tenants whose occupancy and leases (including specified rents) qualify such residential units for the Tax Credit.

“Qualified Occupancy Date” means January 31, 2020.

“Regulations” means the Federal Income Tax Regulations (including without limitation, Temporary Regulations) promulgated under the Code, as the same may be amended from time to time (including corresponding provisions of successor regulations).

“Replacement Reserve” means the amount required by the Permanent Loan and other loan documents to be reserved by the Partnership, equal to not less than \$425 per unit per year, funded ratably on a monthly basis, with credit given for any amount funded into any lender controlled replacement reserve, as further described in §5.4(g)(2) hereof.

“Replacement Reserve Account” means a segregated Partnership bank account established to hold the Replacement Reserve and jointly controlled by the General Partner and the Limited Partner, which account shall be maintained at KeyBank National Association unless the Funding Lender requires that it hold such account.

“Restrictive Covenant” means the extended low-income housing commitment entered into between the Partnership and the State Housing Finance Agency pursuant to §42(h)(6) of the Code.

“Second Installment” has the meaning set forth in §2.2(a)(2) of this Partnership Agreement.

“Secondary Loan” means the subordinate mortgage financing provided by Fairstead Affordable LLC, a Delaware limited liability company, in the aggregate amount of \$3,000,000 at closing, which will be reduced to \$1,362,784 as other project funding sources become available, and otherwise on terms no less favorable to the Partnership than: (i) a 30 year term, (ii) an all-in interest rate not to exceed 5% per annum, and (iii) payable only out of Cash Flow and Net Cash from Sales and Refinancings as provided in §4.1(a) and §4.2(a) hereof.

“Service” means the Internal Revenue Service.

“Seventh Installment” has the meaning set forth in §2.2(a)(7) of this Partnership Agreement.

“Sixth Installment” has the meaning set forth in §2.2(a)(6) of this Partnership Agreement.

“State Housing Finance Agency” means the agency controlling the designation of Low Income Housing Tax Credits and administering the Low Income Housing Tax Credits.

“Substituted Limited Partner” means a Person who is admitted as the Limited Partner to the Partnership pursuant to §8.1 or §8.2 in place of and with all the rights of a limited partner under the Partnership Agreement and the Act.

“Tax Credit” or “Credit” means the low income housing tax credit under §42 of the Code.

“Tax Exempt Loan” means that certain tax-exempt loan made by KeyBank to the Issuer, the proceeds of which will be used by the Issuer to make the Permanent Loan.

“Tax Factor” means 1 minus the combined highest marginal corporate federal, state and local income tax rates then in effect to which the Partnership and the Partners are subject, expressed as decimals. For example, if the highest marginal federal corporate tax rate is 35%, the highest marginal state corporate tax rate is 7% and the highest marginal local tax rate is 2%, the Tax Factor will be equal to $1 - [(.35) + .65(.07 + .02)]$ or 0.5915 (note: “.65” was derived by subtracting the assumed federal tax rate of 35% from 100%).

“Tax Matters Partner” means the General Partner acting in its capacity designated in §5.4(c).

“Third Installment” has the meaning set forth in §2.2(a)(3) of this Partnership Agreement.

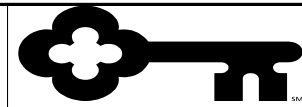
“Timing Reduction” has the meaning set forth in §5.10(b) of the Partnership Agreement.

“Vacancy Factor” means 5% for subsidized Tax Credit units, 7% for non-subsidized Tax Credit units, 7% for market rate units, and 10% for commercial space.

“Voluntary Transfer” means any sale, assignment, transfer, pledge, or hypothecation of any Partnership Interest by a Partner, except for an Involuntary Transfer.

APPENDIX II
Financial Forecasts

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3



PROJECT INFORMATION INPUT SHEET

St. Martin Townhomes

Note: Blue BOLD references and/or yellow shaded cells are inputs.

		Status	Final
GENERAL INFORMATION		INPUTS	
PROJECT NAME	St. Martin Townhomes	PROJECT ID	584
PARTNERSHIP NAME	St Martins Preservation II LP	PROJECT LOCATION	Urban
PROJECT ADDRESS	200 Goffe St	TARGET POPULATION	Family
CITY	New Haven	BUILDING TYPE	Townhouse
COUNTY	New Haven	PARTNERSHIP REP	
STATE	CT		
ZIP CODE	06511		
CENSUS TRACT	09.009.1416.00		
Metropolitan Statistical Area (MSA) Number	35300		
MSA Name	New Haven		
LMI Area (YES/NO)	Yes		
Key CRA Area (YES/NO)	Yes		
DEVELOPER'S NAME	Fairstead Affordable		
MULTIFAMILY TAX SUBSIDY INCOME LIMIT	\$100,900	4 person	2019
TOTAL RESIDENTIAL/NONRESIDENTIAL SQUARE FOOTAGE	0		
TOTAL COMMERCIAL SQUARE FOOTAGE	0		
ENTITY TYPE (FOR PROFIT/NOT FOR PROFIT)	For Profit		
(REHAB/NEW CONSTRUCTION)	Rehab		
KEY DATES		INPUTS	
YEAR OF TAX CREDIT ALLOCATION	2019		
CONSTRUCTION START DATE	6/1/2019		
STARTING DATE OF BENEFITS TO KCDC	6/1/2019		
COMPLETION OF FIRST BUILDING	12/1/2019	Last Building Completion	12/1/2019
FIRST EQUITY INSTALLMENT DATE	6/1/2019		
PLACED IN SERVICE- First Building	06/01/19		
QUALIFIED OCCUPANCY	1/31/2020		
START OF ANALYSIS	6/1/2019		
FIRST YEAR OF PROFORMA	2019		
TAX CREDITS		INPUTS	
FEDERAL CREDITS APPLIED OR APPROVED	Approved		Approved
STATE LIHTC APPLIED OR APPROVED	Applied		Approved
STATE HISTORIC CREDITS APPLIED OR APPROVED	Applied		Approved
AMOUNT OF LIHTC APPLIED FOR:	514,301		
AMOUNT OF LIHTC APPROVED:	514,301		
AMOUNT OF STATE LIHTC APPLIED FOR:	0		
AMOUNT OF STATE LIHTC APPROVED:	0		
AMOUNT OF STATE HISTORIC CREDITS APPLIED FOR:	0		
AMOUNT OF STATE HISTORIC CREDITS APPROVED:	0		
AMOUNT OF LIHTC ASSUMED IN ANALYSIS:	514,301		
AMOUNT OF STATE LIHTC ASSUMED IN ANALYSIS:	0		
AMOUNT OF STATE HISTORIC CREDITS ASSUMED IN ANALYSIS:	0		
AMOUNT OF HISTORIC CREDITS ASSUMED IN ANALYSIS:	0		
HTC Equity	0		
STATE HTC Equity	0		
Net Equity Cents-LIHTC	0.970		
FEDERAL LIHTC Equity	\$4,988,216		
STATE LIHTC Equity	\$0		
Solar Energy Credit Rate	30%		
AMOUNT OF SOLAR ENERGY CREDITS ASSUMED IN ANALYSIS	\$0		
Solar Energy Credit Equity	\$0		
TAX RATES		INPUTS AHIC	
CORPORATE EFFECTIVE TAX RATE	21.00%		37.50%
PARTNERS' PERCENTAGES		INPUTS	
NUMBER OF PARTNERSHIP UNITS	1		
KCDC PERCENT OF EQUITY INVESTMENT	100.00%		
CASH DISTRIBUTIONS - LIMITED PARTNERS	10.00%		usually 99.99%
CASH DISTRIBUTIONS - GENERAL/OTHERS	90.00%		
PROFIT/(LOSS) - LIMITED	99.99%		usually 99.99%
PROFIT/(LOSS) - GENERAL	0.01%		
SALES/REFINANCING PROCEEDS - LIMITED	10.00%		usually 25%
SALES/REFINANCING PROCEEDS - GENERAL	90.00%		
RETURN OF EQUITY INVESTMENT AT SALE (YES/NO)	No		
SYNDICATOR LOAD	0%		0

TAX CREDIT PROGRAM INFORMATION		INPUTS	
TAX CREDIT RATE "LOCKED IN" (YES/NO)	Yes		
70% PV TAX CREDIT RATE	0.00%	01/00/00	Enter Date of 70% Credit Used
30% PV TAX CREDIT RATE	3.25%	05/01/19	Enter Date of 30% Credit Used
4% Credit only (YES/NO)	Yes		
ACQUISITION CREDITS (YES/NO)	Yes		
HISTORIC TAX CREDIT RATE	20.00%		
HISTORIC TAX CREDIT PRICING	\$0.00	\$0.00	STATE HTC PRICING
HISTORIC CREDITS (YES/NO)	No		
FIRST YEAR OF HISTORIC TO KCDC	2019		
HTC DELIVERY	2		
PERCENTAGE OF LOW INCOME HOUSING UNITS OR SQUARE FOOTAGE (LESSER OF THE TWO)	100.00%		
FEDERALLY SUBSIDIZED PROJECT (YES/NO)	Yes		
130% of Basis (YES/NO)	Yes		
QUALIFIED CENSUS TRACT (YES/NO)	Yes		
TYPE OF DDA (STATE/FEDERAL)	Federal		
20/50 OR 40/60 SET-ASIDE ELECTION	20/50		
ADDITIONAL YEARS OF EXTENDED USE AFTER YEAR 15	25		
FIRST YEAR OF LIHTC to KCDC	2019		
PERCENTAGE OF LOW INCOME TAX CREDITS IN YEAR 1	5.04%		
PERCENTAGE OF LOW INCOME TAX CREDITS IN YEAR 2	10.00%		
FEES AND RESERVES ASSUMPTIONS		INPUTS	
MANAGEMENT FEES AS A % OF NET EFFECTIVE INCOME	3.00%	5% if related party	
MANAGEMENT FEES AS A STARTING OUT DOLLAR AMOUNT	\$0.00		
REPLACEMENT RESERVE PER UNIT (\$200 MINIMUM)	\$425.00	332.94	KCDC Required RR Per Unit
REPLACEMENT RESERVE COMMERCIAL (PER SQUARE FOOT)	\$0.00	\$0.00	
DEVELOPER FEE	\$803,680.00		
OPERATING RESERVE DISTRIBUTED TO L.P. At SALES/REFINANCING (YES/NO)	No		
PRIORITY DISTRIBUTION OF OPERATING RESERVES to GP (YES/NO)	Yes		
KCDC ASSET MANAGEMENT FEE	\$0.00	2020	AMF Trending Begins
INCENTIVE MANAGEMENT FEE (Enter Percentage)	90.00%	7.00%	% of Net Effective Income
Net Cash Other Distribution	0.00%		
Net Cash Other Distribution	0.00%		
Net Cash Other Distribution	0.00%		
Total >>(must not be greater than 100%)>>>	90.00%		
REPLACEMENT RESERVE INTEREST RATE	0.50%		
REPLACEMENT RESERVE INCREASE PERCENTAGE	0.00%	2020	RR Trending Begins
OPERATING RESERVE ACCOUNT ANNUAL INCREASE PERCENTAGE	0.50%		
ANNUAL INCREASE IN OPERATING EXPENSES	3.00%	2020	Expense Trending Begins
INFLATION AND VACANCY FACTORS ON INCOME		INPUTS	
		Per Appraisal	
LOW INCOME UNITS			
1st YEAR VACANCY RATE	5.00%		
2nd YEAR VACANCY RATE	5.00%		
STABILIZED VACANCY RATE	5.00%		
ANNUAL INFLATION ON RENTS	2.00%	2020	Income Trending Begins
MARKET UNITS			
1st YEAR VACANCY RATE	10.00%		
2nd YEAR VACANCY RATE	10.00%		
STABILIZED VACANCY RATE	10.00%		
ANNUAL INFLATION ON RENTS	2.00%		
OTHER INCOME			
1st YEAR VACANCY RATE	10.00%		
2nd YEAR VACANCY RATE	10.00%		
STABILIZED VACANCY RATE	10.00%		
INFLATION ON OTHER INCOME	2.00%		
OPERATING SUBSIDY			
1st YEAR VACANCY RATE	0.00%		
2nd YEAR VACANCY RATE	0.00%		
STABILIZED VACANCY RATE	0.00%		
ANNUAL INFLATION ON RENTAL SUBSIDIES	2.00%		
OTHER INFORMATION		INPUTS	
		AHIC	
DISCOUNT RATE (ANNUAL)	9.00%	9.00%	
AHIC Start Date	6/1/2019	6	6/1/2019
STANDARD CAP RATE	9.00%		
APRAISER CAP RATE	5.75%		
CAP RATE ASSUMED IN ANALYSIS	Appraiser Cap Rate		
PERCENT APPRECIATION OF PROJECT FOR PROJECTED SALE	1.00%		
MATERIAL TIMING DIFFERENCE RATE OF RETURN	12.00%		
DEPRECIATION TERM (RESIDENTIAL) 27.5/30 YRS.	30.0		
COMMERCIAL DEPRECIATION TERM 39/40 YRS.	39.0		
SALES COMMISSION UPON REFINANCE	4.00%		
DISPOSITION FEE AT SALE OR REFINANCING	3.0%		
Commercial Assumptions			
Annual Increase in Income	0.0%		
Vacancy Rate Year 1	0.0%		
Vacancy Rate Year 2	0.0%		
Stabilized Vacancy Rate	0.0%		

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3

TOTAL UNITS 63

St. Martin Townhomes

LEASE-UP SCHEDULE MONTHS 1 - 12

LEASE-UP SCHEDULE MONTHS 1 - 12

AFFORDABLE UNIT LEASE-UP SCHEDULE			PER UNIT PER MONTH																		
Unit Type	Number of Units	Monthly Rent	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
1 1 bedroom	0	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 1 bedroom	0	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 2 bedroom	0	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 2 bedroom	0	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 3 bedroom	0	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 3 bedroom	0	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 4 bedroom	0	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 4 bedroom	0	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total LIHTC Units:	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL QUALIFIED LIHTC UNITS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SUBSIDIZED UNIT LEASE-UP SCHEDULE			PER UNIT PER MONTH																		
Unit Type	Number of Units	Monthly Rent	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
1 1 bedroom	1	1,325.00	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2 1 bedroom	4	1,325.00	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0
3 2 bedroom	5	1,475.00	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0
4 2 bedroom	21	1,475.00	0	0	0	0	0	11	0	0	0	0	10	0	0	0	0	0	0	0	0
5 3 bedroom	6	2,075.00	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0
6 3 bedroom	20	2,075.00	0	0	0	0	0	20	0	0	0	0	0	0	0	0	0	0	0	0	0
7 4 bedroom	1	2,325.00	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
8 4 bedroom	5	2,325.00	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0
9 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total Subsidized Units	63		0	0	0	0	0	53	0	0	0	0	0	10	0	0	0	0	0	0	0
TOTAL Subsidized LIHTC UNITS			0	0	0	0	0	53	53	53	53	53	53	63	63	63	63	63	63	63	63

MARKET RATE UNIT LEASE-UP SCHEDULE			PER UNIT PER MONTH																		
Unit Type	Number of Units	Monthly Rent	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
1 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total MKT Space:	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MKT Space			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

COMMERCIAL UNIT LEASE-UP SCHEDULE			PER UNIT PER MONTH																		
Commercial	SQ. Ft	Monthly Rent	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
Commercial	0	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total COMM Units:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMM UNITS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3

St. Martin Townhomes

IS 12 - 24

AFFORDABLE UNIT LEASE-UP SCHEDULE

Unit Type	Number of Units	Monthly Rent	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
1 1 bedroom	0	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 1 bedroom	0	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 2 bedroom	0	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 2 bedroom	0	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 3 bedroom	0	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 3 bedroom	0	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 4 bedroom	0	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 4 bedroom	0	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total LIHTC Units:	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL QUALIFIED LIHTC UNITS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SUBSIDIZED UNIT LEASE-UP SCHEDULE

Unit Type	Number of Units	Monthly Rent	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
1 1 bedroom	1	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
2 1 bedroom	4	1,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
3 2 bedroom	5	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
4 2 bedroom	21	1,475.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21
5 3 bedroom	6	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6
6 3 bedroom	20	2,075.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20
7 4 bedroom	1	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
8 4 bedroom	5	2,325.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
9 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 4 bedroom	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total Subsidized Units	63		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63
TOTAL Subsidized LIHTC UNITS			63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63

MARKET RATE UNIT LEASE-UP SCHEDULE

Unit Type	Number of Units	Monthly Rent	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
1 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total MKT Space:	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MKT Space			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

COMMERCIAL UNIT LEASE-UP SCHEDULE

Unit Type	SQ. Ft	Monthly Rent	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	TOTAL
Commercial	0	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total COMM Units:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMM UNITS			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Net Effective Income (Running Total)	0	0	0	0	0	0	0	358	358	358	358	358	358	358	425	434	434	434	434	434	434
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Lease-Up Expense Report

Expenses	Annual	Monthly	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
ADMINISTRATIVE:																					
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	5,000	417	0	0	0	0	0	351	351	351	351	351	351	417	429	429	429	429	429	429	429
Legal/Partnership/Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting/Audit	13,500	1,125	0	0	0	0	0	946	946	946	946	946	946	1,125	1,159	1,159	1,159	1,159	1,159	1,159	1,159
Office Expense	10,000	833	0	0	0	0	0	701	701	701	701	701	701	833	858	858	858	858	858	858	858
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone/Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Manager	47,000	3,917	0	0	0	0	0	3,295	3,295	3,295	3,295	3,295	3,295	3,917	4,034	4,034	4,034	4,034	4,034	4,034	4,034
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:																					
Janitorial (Staff)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance/Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decorating & Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Misc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cleaning Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING:																					
Electric	8,241	687	0	0	0	0	0	578	578	578	578	578	578	687	707	707	707	707	707	707	707
Fuel	31,207	2,601	0	0	0	0	0	2,188	2,188	2,188	2,188	2,188	2,188	2,601	2,679	2,679	2,679	2,679	2,679	2,679	2,679
Maintenance Staff	44,000	3,667	0	0	0	0	0	3,085	3,085	3,085	3,085	3,085	3,085	3,667	3,777	3,777	3,777	3,777	3,777	3,777	3,777
Water & Sewer	39,292	3,274	0	0	0	0	0	2,755	2,755	2,755	2,755	2,755	2,755	3,274	3,373	3,373	3,373	3,373	3,373	3,373	3,373
Payroll & Taxes	32,800	2,733	0	0	0	0	0	2,299	2,299	2,299	2,299	2,299	2,299	2,733	2,815	2,815	2,815	2,815	2,815	2,815	2,815
Security	28,576	2,381	0	0	0	0	0	2,003	2,003	2,003	2,003	2,003	2,003	2,381	2,453	2,453	2,453	2,453	2,453	2,453	2,453
Trash Removal	12,000	1,000	0	0	0	0	0	841	841	841	841	841	841	1,000	1,030	1,030	1,030	1,030	1,030	1,030	1,030
General Maintenance	30,000	2,500	0	0	0	0	0	2,103	2,103	2,103	2,103	2,103	2,103	2,500	2,575	2,575	2,575	2,575	2,575	2,575	2,575
Office / Admin.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow Removal	10,000	833	0	0	0	0	0	701	701	701	701	701	701	833	858	858	858	858	858	858	858
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other - Residential Services	12,675	1,056	0	0	0	0	0	889	889	889	889	889	889	1,056	1,088	1,088	1,088	1,088	1,088	1,088	1,088
Insurance	24,000	2,000	0	0	0	0	0	1,683	1,683	1,683	1,683	1,683	1,683	2,000	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Real Estate Taxes	262,651	21,888	0	0	0	0	0	18,413	18,413	18,413	18,413	18,413	18,413	21,888	22,544	22,544	22,544	22,544	22,544	22,544	22,544
KCDC Asset Mngt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer/State Tax Credit Comp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	38,741	3,228	0	0	0	0	0	2,716	2,716	2,716	2,716	2,716	2,716	3,228	3,325	3,325	3,325	3,325	3,325	3,325	3,325
Land Lease Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve	26,775	2,231	0	0	0	0	0	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231
TOTAL	676,458	56,371	0	0	0	0	0	47,778	47,778	47,778	47,778	47,778	47,778	56,371	57,996	57,996	57,996	57,996	57,996	57,996	57,996

Net Operating Cash Flow	0	0	0	0	0	0	0	(47,420)	(47,420)	(47,420)	(47,420)	(47,420)	(47,420)	(47,420)	(55,946)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)
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Debt Service-Construction Financing																					
Debt Service-Permanent Financing																					
Debt Service-Other Loans																					
Cash Flow			0	0	0	0	0	(47,420)	(47,420)	(47,420)	(47,420)	(47,420)	(47,420)	(55,946)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)
Cumulative Lease-up Reserve	0	0	0	0	0	0	0	(47,420)	(94,841)	(142,261)	(189,681)	(237,101)	(284,522)	(340,468)	(398,030)	(455,593)	(513,155)	(570,717)	(628,279)	(685,841)	
Cumulative Cash (Exclude Lease-up Res)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Subtotal Admin.	75,500	6,292	0	0	0	0	0	5,293	5,293	5,293	5,293	5,293	5,293	6,292	6,480	6,480	6,480	6,480	6,480	6,480	6,480
Subtotal Maint	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Operating	272,791	22,733	0	0	0	0	0	19,124	19,124	19,124	19,124	19,124	19,124	22,733	23,415	23,415	23,415	23,415	23,415	23,415	23,415
Subtotal RE Taxes	262,651	21,888	0	0	0	0	0	18,413	18,413	18,413	18,413	18,413	18,413	21,888	22,544	22,544	22,544	22,544	22,544	22,544	22,544
Subtotal Fees & Addl Expenses	36,675	3,056	0	0	0	0	0	2,571	2,571	2,571	2,571	2,571	2,571	3,056	3,148	3,148	3,148	3,148	3,148	3,148	3,148
Replacement Reserve	26,775	2,231	0	0	0	0	0	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231

Net Effective Income (Running Total)	434	434	434	434	434	434	434	434	442	442	442	442	442	442	442	442	442	442	442
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Lease-Up Expense Report

Expenses	Annual	Monthly	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
ADMINISTRATIVE:																				
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	5,000	417	429	429	429	429	429	429	442	442	442	442	442	442	442	442	442	442	442	442
Legal/Partnership/Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting/Audit	13,500	1,125	1,159	1,159	1,159	1,159	1,159	1,159	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Office Expense	10,000	833	858	858	858	858	858	858	884	884	884	884	884	884	884	884	884	884	884	884
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone/Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Manager	47,000	3,917	4,034	4,034	4,034	4,034	4,034	4,034	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155	4,155
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:																				
Janitorial (Staff)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance/Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decorating & Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Misc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cleaning Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING:																				
Electric	8,241	687	707	707	707	707	707	707	729	729	729	729	729	729	729	729	729	729	729	729
Fuel	31,207	2,601	2,679	2,679	2,679	2,679	2,679	2,679	2,759	2,759	2,759	2,759	2,759	2,759	2,759	2,759	2,759	2,759	2,759	2,759
Maintenance Staff	44,000	3,667	3,777	3,777	3,777	3,777	3,777	3,777	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890
Water & Sewer	39,292	3,274	3,373	3,373	3,373	3,373	3,373	3,373	3,474	3,474	3,474	3,474	3,474	3,474	3,474	3,474	3,474	3,474	3,474	3,474
Payroll & Taxes	32,800	2,733	2,815	2,815	2,815	2,815	2,815	2,815	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Security	28,576	2,381	2,453	2,453	2,453	2,453	2,453	2,453	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526	2,526
Trash Removal	12,000	1,000	1,030	1,030	1,030	1,030	1,030	1,030	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061
General Maintenance	30,000	2,500	2,575	2,575	2,575	2,575	2,575	2,575	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652
Office / Admin.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow Removal	10,000	833	858	858	858	858	858	858	884	884	884	884	884	884	884	884	884	884	884	884
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other - Residential Services	12,675	1,056	1,088	1,088	1,088	1,088	1,088	1,088	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121
Insurance	24,000	2,000	2,060	2,060	2,060	2,060	2,060	2,060	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122	2,122
Real Estate Taxes	262,651	21,888	22,544	22,544	22,544	22,544	22,544	22,544	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221
KCDC Asset Mngt Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer/State Tax Credit Compr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management Fees	38,741	3,228	3,325	3,325	3,325	3,325	3,325	3,325	3,425	3,425	3,425	3,425	3,425	3,425	3,425	3,425	3,425	3,425	3,425	3,425
Land Lease Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve	26,775	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231
TOTAL	676,458	56,371	57996	57996	57996	57996	57996	57996	59669	59669	59669	59669	59669	59669	59669	59669	59669	59669	59669	59669

Net Operating Cash Flow			(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)
--------------------------------	--	--	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Debt Service-Construction Financing																				
Debt Service-Permanent Financing																				
Debt Service-Other Loans																				
Cash Flow			(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(57,562)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)	(59,226)
Cumulative Lease-up Reserve	0		(743,404)	(800,966)	(858,528)	(916,090)	(973,652)	(1,031,215)	(1,090,441)	(1,149,667)	(1,208,894)	(1,268,120)	(1,327,347)	(1,386,573)	(1,445,800)	(1,505,026)	(1,564,253)	(1,623,479)	(1,682,706)	(1,741,932)
Cumulative Cash (Exclude Lease-up Res)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Subtotal Admin.	75,500	6,292	6,480	6,480	6,480	6,480	6,480	6,480	6,675	6,675	6,675	6,675	6,675	6,675	6,675	6,675	6,675	6,675	6,675	6,675
Subtotal Maint	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Operating	272,791	22,733	23,415	23,415	23,415	23,415	23,415	23,415	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117	24,117
Subtotal RE Taxes	262,651	21,888	22,544	22,544	22,544	22,544	22,544	22,544	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221	23,221
Subtotal Fees & Addl Expenses	36,675	3,056	3,148	3,148	3,148	3,148	3,148	3,148	3,242	3,242	3,242	3,242	3,242	3,242	3,242	3,242	3,242	3,242	3,242	3,242
Replacement Reserve	26,775	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3				
<i>St. Martin Townhomes</i>				
OPERATING EXPENSES BUDGET				
<i>CATEGORY</i>	<i>ANNUAL AMOUNT</i>	<i>CATEGORY TOTALS</i>		<i>AMOUNT PER UNIT</i>
<u>ADMINISTRATIVE:</u>				
Advertising	0		0.00	0
Administrative	5,000		0.08	79
Legal/Partnership/Accounting	0		0.00	0
Accounting/Audit	13,500		0.22	214
Office Expense	10,000		0.17	159
Marketing	0		0.00	0
Telephone/Other	0		0.00	0
Resident Manager	47,000		0.78	746
Other	0		0.00	0
Subtotal Admin.		75,500	1.25	1,198
<u>MAINTENANCE:</u>				
Janitorial (Staff)	0		0.00	0
Repairs	0		0.00	0
Maintenance/Decorating	0		0.00	0
Decorating & Painting	0		0.00	0
Grounds	0		0.00	0
Landscaping	0		0.00	0
Misc.	0		0.00	0
Cleaning Supplies	0		0.00	0
Other	0		0.00	0
Subtotal Maint		0	0.00	0
<u>OPERATING:</u>				
Electric	8,241		0.14	131
Fuel	31,207		0.52	495
Maintenance Staff	44,000		0.73	698
Water & Sewer	39,292		0.65	624
Payroll & Taxes	32,800		0.54	521
Security	28,576		0.47	454
Trash Removal	12,000		0.20	190
General Maintenance	30,000		0.50	476
Office / Admin.	0		0.00	0
Snow Removal	10,000		0.17	159
Other	0		0.00	0
Other - Residential Services	12,675		0.21	201
Insurance	24,000		0.40	381
Subtotal Operating		272,791	4.51	4,330
Real Estate Taxes	262,651		4.34	4,169
Subtotal RE Taxes		262,651	4.34	4,169
Project Operating Expenses	610,942	610,942	10.10	9,697
KCDC Asset Mngt Fee	0		0.00	0
Developer/State Tax Credit Compliar	0		0.00	0
Management Fees	38,741		0.64	615
Land Lease Payment	0		0.00	0
Other	0		0.00	0
Subtotal Fees & Addl Expenses		38,741	0.64	615
Replacement Reserve	26,775		0.44	425
		26,775	0	425
TOTAL EXPENSES	676,458	676,458		10,737
Additional Expense - Other 1	0		0	0
Additional Expense - Other 2	0		0	0

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3

St. Martin Townhomes

Application Category	Project Costs	Per Total Square Footage	Per Unit	Other Non-depreciable	Depreciable Rehab or New Construction	Commercial	Furniture & Fixtures & Solar	Amortizable	Ineligible Depreciable Costs	70% PV Credit	30% PV Credit	20% Historic Credit
Acquisition -Land	1,190,000	20	18,889	1,190,000		0			0			
Acquisition- Building	8,510,000	141	135,079		8,510,000	0		0	0	0	8,510,000	
Acquisition- Transfer Tax	0	0	0	0	0	0			0		0	
Acquisition- Loans Fees/Interest	0	0	0	0	0	0			0		0	
Acquisition- Other	0	0	0	0	0	0			0		0	0
Subtotal Acquisition Costs	9,700,000	160	153,968	1,190,000	8,510,000	0	0	0	0	0	8,510,000	0
Solar Energy Construction	0.00%	0	0		0	0	0		0	0	0	
Construction Costs New	0	0	0		0	0			0		0	
Construction Costs Rehabilitation	2,672,303	44	42,418		2,672,303	0			0		2,672,303	2,672,303
Construction Costs Commercial	0	0	0		0	0			0		0	0
Site Work: Off-Site Non-Depreciable	0	0	0	0	0	0			0		0	0
Site Work: On-Site Improvements	0.00%	280,886	5	4,459	280,886	0			0		280,886	0
Payment and Performance Bond	58,059	1	922		58,059	0			0		58,059	58,059
Furniture, Fixtures, and Equipment (including appliances)	0.00%	133,412	2	2,118	0	0	133,412		0		133,412	0
General Requirements	185,196	3	2,940		185,196	0			0		185,196	0
Contractor Overhead	61,732	1	980		61,732	0			0		61,732	61,732
Contractor Profit	185,196	3	2,940		185,196	0			0		185,196	185,196
Construction Contingency	9.84%	351,873	6	5,585	351,873	0			0		351,873	351,873
Construction Management Fee	0	0	0		0	0			0		0	0
Other Construction	0	0	0		0	0			0		0	0
Subtotal Hard Costs	3,928,657	65	62,360	0	3,795,245	0	133,412	0	0	0	3,928,657	3,329,163
Other Soft Costs	0	0	0		0	0			0		0	0
Architect Design & Inspection	145,123	2	2,304		145,123	0			0		145,123	145,123
Engineering	89,371	1	1,419		89,371	0			0		89,371	89,371
Environmental Study	20,000	0	317		20,000	0			0		20,000	0
Survey/Engineer	10,000	0	159		10,000	0			0		10,000	10,000
Market Study	0	0	0		0	0			0		0	0
Appraisal	16,750	0	266		16,750	0			0		16,750	16,750
Accounting/Audit/Cost Certification	17,000	0	270		0	0			17,000	0	0	0
Local Legal Costs	65,450	1	1,039	0	0	0			65,450	0	0	0
Construction Management Fees	0	0	0	0	0	0			0		0	0
Subtotal Soft Construction Costs	363,694	6	5,773	0	281,244	0	0	0	82,450	0	281,244	261,244
Building Permits	121,454	2	1,928		121,454	0			0		121,454	121,454
Consultants	0	0	0		0	0			0		0	0
Impact Fees/Traffic Study	0	0	0		0	0			0		0	0
Construction Period Insurance	0	0	0		0	0			0		0	0
Construction Period Taxes	93,600	2	1,486		93,600	0			0		93,600	93,600
Title and Recording	169,750	3	2,694		131,105	0			38,645		131,105	131,105
Tenant Relocation	72,000	1	1,143		0	0			72,000		0	0
Soft Cost Contingency	0	0	0		0	0			0		0	0
Other	15,000	0	238		15,000	0			0		15,000	15,000
Predevelopment	0	0	0		0	0			0		0	0
Pre-Development Depreciable Costs	0	0	0		0	0			0		0	0
Pre-Development Amortizable Costs	0	0	0		0	0		0	0		0	0
Subtotal	471,804	8	7,489	0	361,159	0	0	0	110,645	0	361,159	361,159
Other	0	0	0		0	0			0		0	0
Construction Loan Points/Fees	0	0	0	0	0	0			0		0	0
Construction Loan Inspections	35,900	1	570		35,900	0			0		35,900	35,900
Construction Loan Legal (bank)	0	0	0		0	0			0		0	0
Construction Loan Legal (GP)	0	0	0		0	0			0		0	0
Construction Loan Interest	216,000	4	3,429		216,000	0			0		216,000	216,000
Construction Loan Interest after Completion	0	0	0	0	0	0			0		0	0
Other Construction Loan Costs	0	0	0	0	0	0			0		0	0
Permanent Loan Points/Fees	103,160	2	1,637		0	0		103,160	0		0	0
Permanent Loan Credit Enhancement	0	0	0		0	0		0	0		0	0
Bonds - Cost of Issuance	322,176	5	5,114		0	0		322,176	0		0	0
Other	0	0	0		0	0		0	0		0	0
Perm Legal	71,000	1	1,127		0	0		71,000	0		0	0
Other Permanent Loan Costs	0	0	0		0	0		0	0		0	0
Subtotal Financing Costs	748,236	12	11,877	0	251,900	0	0	496,336	0	0	251,900	251,900

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3

St. Martin Townhomes

Application Category	Project Costs	Per Total Square Footage	Per Unit	Other Non-depreciable	Depreciable Rehab or New Construction	Commercial	Furniture & Fixtures & Solar	Amortizable	Ineligible Depreciable Costs	70% PV Credit	30% PV Credit	20% Historic Credit
KCDC AM and Tenant File Review Fees (See calculation in B117)	1,890	0	30	1,890	0	0			0	0	0	
Tax Credit Application Fees	42,777	1	679		0	0		42,777	0	0	0	
State Housing Tax Credit Compliance Monitoring Fees	0	0	0		0	0		0	0	0	0	
Syndication Fee	0	0	0	0	0	0			0	0	0	
Tax Opinion	0	0	0		0	0			0	0	0	
KCDC Partnership Legal	0	0	0	0	0	0			0	0	0	
KCDC Development Advisory Fee	60,000	1	952	60,000	0	0			0	0	0	
Legal/Organizational Fees (Developer)	0	0	0	0	0	0		0	0	0	0	
Other Syndication Costs	0	0	0		0	0			0	0	0	
Subtotal Tax Credit Costs	104,667	2	1,661	61,890	0	0	0	42,777	0	0	0	0
Developer Fees	463,590	8	7,359		463,590	0			0	0	463,590	463,590
Deferred Develop Fee	340,090	6	5,398		340,090	0			0	0	340,090	340,090
Developer Overhead	0	0	0		0	0			0	0	0	0
Consultant Fees	0	0	0		0	0			0	0	0	0
Subtotal	803,680	13	12,757	0	803,680	0	0	0	0	0	803,680	803,680
Leasing Expenses/ Marketing Expenses	0	0	0	0	0	0			0	0	0	0
Lease-Up Reserve/ Working Capital	0	0	0	0	0	0			0	0	0	0
Tax & Insurance Escrow	143,325	2	2,275	143,325	0	0			0	0	0	0
Operating Reserve	302,626	5	4,804	302,626	0	0			0	0	0	0
Replacement Reserve	0	0	0	0	0	0			0	0	0	0
Subtotal Reserves	445,951	7	7,079	445,951	0	0	0	0	0	0	0	0

TOTAL DEVELOPMENT COSTS 16,566,689 274 262,963 1,697,841 14,003,228 0 133,412 539,113 193,095 0 14,136,640 5,007,146

Surplus or (Shortage) 0

CALCULATION OF TAX CREDITS				
	Acquisition	Construction	20% Historic	10% Historic
ELIGIBLE BASIS	8,510,000	5,626,640	-	-
Less: Federal Financing (grants)		-		
Less: Disproportionate Standard		0		
Less: Non-qualified Nonrecourse Financing		0		
Less: Historic Tax Credit (Residential) & 50% Solar Credit		-		
Total Eligible Basis	8,510,000	5,626,640	-	-
Applicable Fraction	100.00%	100.00%		
Total Qualified Basis	8,510,000.00	5,626,640	-	-
High Cost Area Adjustment		1.30		
Adjusted Basis		7,314,632		
Tax Credit Rate	3.25%	3.25%	20.00%	10.00%
ANNUAL CREDIT	276,575	237,726	-	-
TOTAL ANNUAL LIHTC CALCULATED CREDITS		514,301		
AMOUNT OF LIHTC ASSUMED IN ANALYSIS:		514,301		
Difference		-		

CALCULATION OF RESERVES		
Annual Operating Expenses		676,458
Must-Pay Debt Service		493,359
Total Operating Expenses/Debt Service/Reserves		1,169,817
Calculation of Operating Reserve		
Operating Reserve Negotiated Amount	3 months	292,000
Operating Reserve per Guideline	6 months	585,000
Amount over (under) Guideline		(293,000)
Calculation of Operating Deficit Guarantee		
Operating Deficit Guarantee Negotiated Amount	9 months	877,000
Operating Deficit Guarantee per Guideline	6 months	585,000
Amount over (under) Guideline		292,000

St. Martin Townhomes Finance Worksheet

<u>Equity</u>			
Equity Requested to Project	\$4,988,215	Cash flow Investor Amount	0
Equity Payment to Direct Expenses	0		
Total Net Equity Requested	\$4,988,215		
<u>Construction Loan Assumptions</u>		<u>Permanent Loan Assumptions</u>	
Source		Source	
Construction Loan Amount	\$9,516,000	Permanent Loan Amount:	\$9,516,000
Loan Term in Months	0	Loan Term Months	192
Last Draw Date	1/0/1900	Loan Amortization Period (Months)	420
Roll to Perm Date/or Payoff Date	1/0/1900	Loan Interest Rate(%)	3.82%
Loan Fee (%)	0.00%	Loan Fee(%)	1.00%
Rate per Annum (%)	0.00%	First Month of Disbursement	-5
Start Date	1/0/1900	Disbursement of Funds Date	6/1/2019
		Annual Payment	\$493,359
		Percentage of Cashflow	100%
		Mortgage Insurance Premium (%)	0%
		Cash Flow	N
		Loan Type	FA
<u>2nd Mortgage Loan Assumptions</u>		<u>3rd Mortgage Loan Assumptions</u>	
Source		Source	
Permanent Loan Amount:	\$1,362,784	Permanent Loan Amount:	\$0
Loan Term Months	360	Loan Term Months	600
Loan Amortization Period (Months)	360	Loan Amortization Period (Months)	600
Loan Interest Rate(%)	5.00%	Loan Interest Rate(%)	0.00%
Loan Fee(%)	0.00%	Loan Fee(%)	0.00%
First Month of Disbursement	-5	First Month of Disbursement	1
Disbursement of Funds Date	6/1/2019	Disbursement of Funds Date	12/1/2019
Percentage of Cashflow	75%	Percentage of Cashflow	100%
Mortgage Insurance Premium (%)	0%	Mortgage Insurance Premium (%)	0%
<u>Recourse/Nonrecourse/Related Party</u>		<u>Recourse/Nonrecourse/Related Party</u>	
Type:	Recourse	Type:	Nonrecourse
Refinanced/Loan?	N	Refinanced/Loan?	N
Type:	Secured	Type:	Secured
Cash Flow	Y	Cash Flow	N
Loan Type	S	Loan Type	FA
<u>4th Mortgage Loan Assumptions</u>		<u>5th Mortgage Loan Assumptions</u>	
Source		Source	
Permanent Loan Amount:	\$0	Permanent Loan Amount:	\$0
Loan Term Months	600	Loan Term Months	600
Loan Amortization Period (Months)	600	Loan Amortization Period (Months)	600
Loan Interest Rate(%)	0.00%	Loan Interest Rate(%)	0.00%
Loan Fee(%)	0.00%	Loan Fee(%)	0.00%
First Month of Disbursement	1	First Month of Disbursement	1
Disbursement of Funds Date	12/1/2019	Disbursement of Funds Date	12/1/2019
Percentage of Cashflow	100%	Percentage of Cashflow	100%
<u>Recourse/Nonrecourse/Related Party</u>		<u>Recourse/Nonrecourse/Related Party</u>	
Type:	Nonrecourse	Type:	Nonrecourse
Refinanced/Loan?	N	Refinanced/Loan?	N
Type:	Secured	Type:	Secured
Cash Flow	N	Cash Flow	N
Loan Type	FA	Loan Type	FA
<u>6th Mortgage Loan Assumptions</u>		<u>Developer's Note Assumptions</u>	
Source		Source	
Permanent Loan Amount:	\$0	Developer's Note Amount	\$340,090
Loan Term Months	600	Developer's Note Interest Rate	3.00%
Loan Amortization Period (Months)	600	Note Amortization (% Cashflow)	0.00%
Loan Interest Rate(%)	0.00%	First Month of Disbursement	-5
Loan Fee(%)	0.00%	Disbursement of Funds Date	6/1/2019
First Month of Disbursement	1	Percent of CF to Def Dev. Fee	100.00%
Disbursement of Funds Date	12/1/2019		
Percentage of Cashflow	100%		
<u>Recourse/Nonrecourse/Related Party</u>		<u>Recourse/Nonrecourse/Related Party</u>	
Type:	Nonrecourse	Type:	Nonrecourse
Refinanced/Loan?	N	Refinanced/Loan?	N
Type:	Secured	Type:	Secured
Cash Flow	N	Cash Flow	N
Loan Type	FA	Loan Type	FA
		<u>Other Sources</u>	
		1. Interim Income (Capitalized Budget Items Subsidizing Operations)	\$309,600
		2.	\$0
		3.	\$0
		Interim Income	\$50,000
		Federal Grant to reduce basis	\$0
		Total Other Sources	\$359,600
		GP Equity	\$0
		Total Sources of Funds	\$16,566,689
		Total Applications of Funds	\$16,566,689
		Surplus (Shortage) of Funds	\$0
<u>GAP Loan</u>			
GAP Loan Amount:	0	6 Months of Interest	
Loan Term in Years	0	0 1 year of Interest	
Loan Amortization Period (Yrs.)	0	0 Months of Interest	
Loan Interest Rate(%)	0.00%	0 Loan Fee	

* Loan Type code: C = Cashflow, I = Interest Only, A = Accrual, FA=Fully-Amortizing, S=Special Scenario

St. Martin Townhomes

CASH WATERFALL

	Rank	Percent Cash Flow
Construction Loan		
	4	75%
	5	100%
	6	100%
	7	100%
	8	100%
Deferred Developers Fee	3	100%
KCDC AM Fee	2	100%
INCENTIVE MANAGEMENT FEE (Enter Percenta	9	100%

SOURCES and USES SCHEDULE

SOURCES OF FUNDS	Amortization	Loan Type *	Start Date	Rate	Sources	% of Total	% of CF
Construction Loan			1/0/1900	0.00%			
	420	FA	06/01/19	3.82%	9,516,000	57.44%	100%
	360	S	06/01/19	5.00%	1,362,784	8.23%	75%
	600	FA	12/01/19	0.00%	-	0.00%	100%
	600	FA	12/01/19	0.00%	-	0.00%	100%
	600	FA	12/01/19	0.00%	-	0.00%	100%
	600	FA	12/01/19	0.00%	-	0.00%	100%
1. Interim Income (Capitalized Budget Items Subsidizing Operations)			01/00/00		309,600	1.87%	
2			01/00/00		-	0.00%	
3.			01/00/00		-	0.00%	
Interim Income			01/00/00		50,000	0.30%	
Federal Grant to reduce basis					-	0.00%	
GP Equity					-	0.00%	
Deferred Developers Fee			06/01/19	3.00%	340,090	2.05%	
Net Equity to Project				4,988,215	4,988,215	30.11%	
TOTAL SOURCES OF FUNDS					16,566,689	100.00%	

* Loan Type code: C = Cashflow, I = Interest Only, A = Accrual, FA = Fully Amortizing, S = Special Scenario. Simple = Simple

USES OF FUNDS	Per Sq Foot	Per Unit	Total	% of Total
Acquisition/Demo	160.33	153,968	9,700,000	58.55%
Building/Construction	64.94	62,360	3,928,657	23.71%
Professional services	6.01	5,773	363,694	2.20%
Interim Costs	7.80	7,489	471,804	2.85%
Financing Fees	12.37	11,877	748,236	4.52%
Other Soft Costs	1.73	1,661	104,667	0.63%
Development Fee	13.28	12,757	803,680	4.85%
Reserves	7.37	7,079	445,951	2.69%
TOTAL USES OF FUNDS	274	262,963	16,566,689	100.00%

DEVELOPMENT CONTINGENCY (GAP)

	Total Credits	Price	LP %	LP Equity	Adjustment (%)	Adjustment (\$)	LP Equity after Upward Adjuster
Solar Credits	-	0	99.99%	0	5.00%	\$0	0
LIHTC	5,143,005	0.97000	99.99%	4,988,216	5.00%	\$0	5,237,627
Historic	-	0	99.99%	0	5.00%	\$0	0
State LIHTC	-	0	99.99%	0	5.00%	\$0	0
State Historic	-	0	99.99%	0	5.00%	\$0	0
Total				4,988,216		0	5,237,627

DISBURSEMENT SCHEDULE

Total Equity Net of Bridge Loan and Interest 4,988,216

NET PROJECT EQUITY

Payment/ Milestone	Projected Date (Format X/1/20XX)	Project Costs	Project Reserves	Developer Fee	Total	Percentage	Percentage of Equity Net of Bridge Loan and Interest	Percentage of Developer Fee Paid at each installment
Admission	6/1/2019	1,242,054	5,000	-	1,247,054	25.00%	25.00%	0.00%
Other	8/1/2019	748,232	-	-	748,232	15.00%	15.00%	0.00%
50% Complete	10/1/2019	1,247,054	-	-	1,247,054	25.00%	25.00%	0.00%
Other	11/1/2019	748,232	-	-	748,232	15.00%	15.00%	0.00%
C of O	1/1/2020	236,427	-	12,984	249,411	5.00%	5.00%	2.80%
Permanent Loan Closing	7/1/2020	-	297,626	151,313	448,939	9.00%	9.00%	32.64%
Other	7/1/2020	-	-	299,293	299,293	6.00%	6.00%	64.56%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
Other		-	-	-	0	0.00%	0.00%	0.00%
TOTAL		4,221,999	302,626	463,590	4,988,215	100.000000%	100.00%	100.00%

TOTAL PROJECT EQUITY * 4,988,215

* Includes Bridge Loan

KCDC LIHTC PROJECT UNDERWRITING MODEL 5.3

St. Martin Townhomes

OPERATING CASH FLOW

		2019	2020	2021	2022	2023	2024	2025	2026	2027
INCOME		Income Escalator 1.020								
RENTAL INCOME - LOW INCOME TENANTS (Including Subsidized)		701,625	1,381,590	1,409,222	1,437,406	1,466,154	1,495,477	1,525,387	1,555,895	1,587,013
RENTAL INCOME - MARKET RATE TENANTS		-	-	-	-	-	-	-	-	-
Operating Subsidies		-	-	-	-	-	-	-	-	-
Other (no Vacancy):		-	-	-	-	-	-	-	-	-
OTHER INCOME		2,570	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Grant Income		-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME		704,195	1,386,792	1,414,528	1,442,818	1,471,675	1,501,108	1,531,130	1,561,753	1,592,988
LESS: VACANCIES		(35,338)	(69,600)	(70,992)	(72,412)	(73,860)	(75,337)	(76,844)	(78,381)	(79,948)
NET EFFECTIVE INCOME		668,857	1,317,192	1,343,536	1,370,406	1,397,815	1,425,771	1,454,286	1,483,372	1,513,040
Commercial Income		-	-	-	-	-	-	-	-	-
Less: Vacancy		-	-	-	-	-	-	-	-	-
NET EFFECTIVE INCOME		668,857	1,317,192	1,343,536	1,370,406	1,397,815	1,425,771	1,454,286	1,483,372	1,513,040
		Expense Escalator 1.030								
Interim Income		-	50,000	-	-	-	-	-	-	-
OPERATING EXPENSES	Assumptions	2019	2020	2021	2022	2023	2024	2025	2026	2027
Subtotal Admin.	75,500	38,050	77,765	80,098	82,501	84,976	87,525	90,151	92,855	95,641
Subtotal Maint	-	-	-	-	-	-	-	-	-	-
Subtotal Operating	272,791	137,478	280,975	289,404	298,086	307,029	316,240	325,727	335,499	345,563
Subtotal RE Taxes	262,651	132,368	270,531	278,646	287,006	295,616	304,484	313,619	323,028	332,718
KCDC Asset Mngt Fee	-	-	-	-	-	-	-	-	-	-
Developer/State Tax Credit Compliance Fee	-	-	-	-	-	-	-	-	-	-
Management Fees	38,741	19,524	39,903	41,100	41,112	41,934	42,773	43,629	44,501	45,391
Land Lease Payment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other 1	\$0	-	-	-	-	-	-	-	-	-
Replacement Reserve	26,775	15,619	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775
Other 2	\$0	-	-	-	-	-	-	-	-	-
Total Expenses	676,458	343,038	695,948	716,024	735,480	756,330	777,797	799,900	822,658	846,089
Income / Expense Ratio		1.95	1.89	1.88	1.86	1.85	1.83	1.82	1.80	1.79
NET OPERATING CASH FLOW		325,819	571,244	627,512	634,926	641,485	647,974	654,386	660,714	666,951
DEBT SERVICE										
Construction Loan Assumptions	0									
Principal		-	-	-	-	-	-	-	-	-
Interest	0	-	-	-	-	-	-	-	-	-
Total-Payable		-	-	-	-	-	-	-	-	-
		325,819	571,244	627,512	634,926	641,485	647,974	654,386	660,714	666,951
Permanent Loan Assumptions	\$9,516,000	9,516,000	9,439,528	9,304,410	9,164,040	9,018,212	8,866,715	8,709,328	8,545,823	8,375,961
Principal		76,472	135,118	140,371	145,828	151,497	157,387	163,505	169,862	176,465
Interest Accrued		-	-	-	-	-	-	-	-	-
Interest	3.82%	211,321	358,241	352,988	347,531	341,861	335,972	329,853	323,497	316,893
Total-Payable		287,793	493,359	493,359	493,359	493,359	493,359	493,359	493,359	493,359
Cash Available After Permanent Loan		38,026	77,885	134,154	141,568	148,126	154,615	161,028	167,356	173,592
Debt Service Coverage Ratio		1.13	1.16	1.27	1.29	1.30	1.31	1.33	1.34	1.35

KCDC LIHTC PROJECT UNDERWRITING MODEL

St. Martin Townhomes

OPERATING CASH FLOW

	2028	2029	2030	2031	2032	2033	2034	2035	2036	TOTAL
INCOME										
RENTAL INCOME - LOW INCOME TENANTS (Including Subsidiz	1,618,753	1,651,128	1,684,151	1,717,834	1,752,190	1,787,234	1,822,979	1,859,438	1,896,627	28,350,102
RENTAL INCOME - MARKET RATE TENANTS	-	-	-	-	-	-	-	-	-	-
Operating Subsidies	-	-	-	-	-	-	-	-	-	-
Other (no Vacancy):	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	6,095	6,217	6,341	6,468	6,597	6,729	6,864	7,001	7,141	106,673
Grant Income	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME	1,624,848	1,657,345	1,690,492	1,724,302	1,758,788	1,793,963	1,829,843	1,866,439	1,903,768	28,456,775
LESS: VACANCIES	(81,547)	(83,178)	(84,842)	(86,538)	(88,269)	(90,035)	(91,835)	(93,672)	(95,545)	(1,428,173)
NET EFFECTIVE INCOME	1,543,301	1,574,167	1,605,650	1,637,764	1,670,519	1,703,928	1,738,008	1,772,767	1,808,223	27,028,602
Commercial Income	-	-	-	-	-	-	-	-	-	-
Less: Vacancy	-	-	-	-	-	-	-	-	-	-
NET EFFECTIVE INCOME	1,543,301	1,574,167	1,605,650	1,637,764	1,670,519	1,703,928	1,738,008	1,772,767	1,808,223	27,028,602
Interim Income	-	-	-	-	-	-	-	-	-	50,000
OPERATING EXPENSES										
Subtotal Admin.	98,510	101,466	104,510	107,645	110,874	114,201	117,627	121,155	124,790	1,730,339
Subtotal Maint	-	-	-	-	-	-	-	-	-	-
Subtotal Operating	355,930	366,608	377,607	388,935	400,603	412,621	424,999	437,749	450,882	6,251,934
Subtotal RE Taxes	342,700	352,981	363,570	374,478	385,712	397,283	409,202	421,478	434,122	6,019,542
KCDC Asset Mngt Fee	-	-	-	-	-	-	-	-	-	-
Developer/State Tax Credit Compliance Fee	-	-	-	-	-	-	-	-	-	-
Management Fees	46,299	47,225	48,169	49,133	50,116	51,118	52,140	53,183	54,247	811,498
Land Lease Payment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-
Replacement Reserve	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775	470,794
Other 2	-	-	-	-	-	-	-	-	-	-
Total Expenses	870,215	895,055	920,631	946,965	974,079	1,001,997	1,030,743	1,060,341	1,090,816	15,284,107
Income / Expense Ratio	1.77	1.76	1.74	1.73	1.71	1.70	1.69	1.67	1.66	1.77
NET OPERATING CASH FLOW	673,086	679,112	685,019	690,798	696,439	701,931	707,265	712,427	717,407	11,694,495
DEBT SERVICE										
Construction Loan Assumptions										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total-Payable	-	-	-	-	-	-	-	-	-	-
	673,086	679,112	685,019	690,798	696,439	701,931	707,265	712,427	717,407	
Permanent Loan Assumptions										
Principal	8,199,496	8,016,170	7,825,718	7,627,861	7,422,313	7,208,774	6,986,933	6,756,468	-	-
Interest Accrued	183,325	190,452	197,856	205,548	213,539	221,841	230,465	98,652	-	2,858,183
Interest	-	-	-	-	-	-	-	-	-	-
Total-Payable	310,033	302,906	295,502	287,810	279,819	271,518	262,894	106,914	-	5,035,554
Total-Payable	493,359	493,359	493,359	493,359	493,359	493,359	493,359	205,566	-	7,893,737
Cash Available After Permanent Loan	179,728	185,753	191,660	197,440	203,081	208,572	213,906	506,861	717,407	
Debt Service Coverage Ratio	1.36	1.38	1.39	1.40	1.41	1.42	1.43	3.47	0.00	

OPERATING CASH FLOW

		2019	2020	2021	2022	2023	2024	2025	2026	2027
Deferred Developers Fee		35,526.40	72,884.97	129,003.61	102,675.02					
KCDC AM Fee		2,500.00	5,000.00	5,150.00	5,304.50	5,463.64	5,627.54	5,796.37	5,970.26	6,149.37
2nd Mortgage Loan Assumptions	\$1,362,784	1,362,784	1,402,532	1,472,658	1,546,291	1,598,415	1,571,339	1,538,165	1,498,650	1,452,543
Principal Paid		-	-	-	-	27,076	33,174	39,515	46,107	52,955
Interest Accrued		39,748	70,127	73,633	52,123	-	-	-	-	-
Interest Paid	5.00%	-	-	-	25,191	79,921	78,567	76,908	74,932	72,627
Total-Payable		-	-	-	25,191	106,997	111,741	116,423	121,039	125,582
Debt Service Coverage Ratio		1.01	1.01	1.01	1.02	1.07	1.07	1.07	1.08	1.08

3rd Mortgage Loan Assumptions	\$0	-	-	-	-	-	-	-	-	-
Principal-Paid		-	-	-	-	-	-	-	-	-
Interest-Accrued		-	-	-	-	-	-	-	-	-
Interest-Paid	0.00%	-	-	-	-	-	-	-	-	-
Total-Payable		-	-	-	-	-	-	-	-	-

4th Mortgage Loan Assumptions	\$0	-	-	-	-	-	-	-	-	-
Principal-Paid		-	-	-	-	-	-	-	-	-
Interest-Accrued		-	-	-	-	-	-	-	-	-
Interest-Paid	0.00%	-	-	-	-	-	-	-	-	-
Total-Payable		-	-	-	-	-	-	-	-	-

5th Mortgage Loan Assumptions	\$0	-	-	-	-	-	-	-	-	-
Principal-Paid		-	-	-	-	-	-	-	-	-
Interest-Accrued		-	-	-	-	-	-	-	-	-
Interest-Paid	0.00%	-	-	-	-	-	-	-	-	-
Total-Payable		-	-	-	-	-	-	-	-	-

6th Mortgage Loan Assumptions	\$0	-	-	-	-	-	-	-	-	-
Principal-Paid		-	-	-	-	-	-	-	-	-
Interest-Accrued		-	-	-	-	-	-	-	-	-
Interest-Paid	0.00%	-	-	-	-	-	-	-	-	-
Total-Payable		-	-	-	-	-	-	-	-	-

INCENTIVE MANAGEMENT FEE (Enter Percentage) 7,557.36 32,099.06 33,522.25 34,927.01 36,311.72 37,674.65

NET OPERATING CASH FLOW 0 0 0 840 3,567 3,725 3,881 4,035 4,186

Deferred Developer Fees	3.00%	35,526	72,885	129,004	102,675	-	-	-	-	-
Balance	\$340,090	304,564	231,679	102,675	-	-	-	-	-	-

OPERATING CASH FLOW

	2028	2029	2030	2031	2032	2033	2034	2035	2036	TOTAL
Deferred Developers Fee										
KCDC AM Fee	6,333.85	6,523.87	6,719.58	6,921.17	7,128.80	7,342.67	7,562.95	7,789.84	8,023.53	
2nd Mortgage Loan Assumptions	1,399,588	1,339,522	1,272,076	1,196,975	1,113,934	1,022,667	922,878	814,265	480,675	480,675
Principal Paid	60,066	67,446	75,102	83,040	91,267	99,789	108,613	333,590	480,675	1,598,415
Interest Accrued	-	-	-	-	-	-	-	-	-	235,631
Interest Paid	69,979	66,976	63,604	59,849	55,697	51,133	46,144	40,713	24,034	886,276
Total-Payable	130,045	134,422	138,705	142,889	146,964	150,922	154,757	374,303	504,709	2,484,691
Debt Service Coverage Ratio	1.08	1.08	1.08	1.09	1.09	1.09	1.09	1.23	1.42	
3rd Mortgage Loan Assumptions	-	-	-	-	-	-	-	-	-	-
Principal-Paid	-	-	-	-	-	-	-	-	-	-
Interest-Accrued	-	-	-	-	-	-	-	-	-	-
Interest-Paid	-	-	-	-	-	-	-	-	-	-
Total-Payable	-	-	-	-	-	-	-	-	-	-
4th Mortgage Loan Assumptions	-	-	-	-	-	-	-	-	-	-
Principal-Paid	-	-	-	-	-	-	-	-	-	-
Interest-Accrued	-	-	-	-	-	-	-	-	-	-
Interest-Paid	-	-	-	-	-	-	-	-	-	-
Total-Payable	-	-	-	-	-	-	-	-	-	-
5th Mortgage Loan Assumptions	-	-	-	-	-	-	-	-	-	-
Principal-Paid	-	-	-	-	-	-	-	-	-	-
Interest-Accrued	-	-	-	-	-	-	-	-	-	-
Interest-Paid	-	-	-	-	-	-	-	-	-	-
Total-Payable	-	-	-	-	-	-	-	-	-	-
6th Mortgage Loan Assumptions	-	-	-	-	-	-	-	-	-	-
Principal-Paid	-	-	-	-	-	-	-	-	-	-
Interest-Accrued	-	-	-	-	-	-	-	-	-	-
Interest-Paid	-	-	-	-	-	-	-	-	-	-
Total-Payable	-	-	-	-	-	-	-	-	-	-
INCENTIVE MANAGEMENT FEE (Enter Percentage)	39,013.57	40,326.61	41,611.60	42,866.70	44,089.13	45,276.67	46,427.20	112,290.96		
NET OPERATING CASH FLOW	4,335	4,481	4,624	4,763	4,899	5,031	5,159	12,477	204,675	270,674
Deferred Developer Fees	-	-	-	-	-	-	-	-	-	340,090
Balance	-	-	-	-	-	-	-	-	-	

OPERATING CASH FLOW

		2019	2020	2021	2022	2023	2024	2025	2026	2027
INCENTIVE MANAGEMENT FEE (Enter Percentage)	0.9	-	-	-	7,557	32,099	33,522	34,927	36,312	37,675
0		-	-	-	-	-	-	-	-	-
CASH FLOW AVAILABLE FOR FEES		-	-	-	840	3,567	3,725	3,881	4,035	4,186
OTHER FEES		-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	0.00%	-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	0.00%	-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	0.00%	-	-	-	-	-	-	-	-	-
Total	90.00%	-	-	-	-	-	-	-	-	-
CASH FLOW AVAILABLE BEFORE TRANSFER FROM/(TO) RESERVES		-	-	-	840	3,567	3,725	3,881	4,035	4,186
RESERVES										
Operating Reserve		302,626								
Lease-Up Reserve/ Working Capital		-								
Deductions		-	-	-	-	-	-	-	-	-
Cash Flow repayment to reserves		-	-	-	-	-	-	-	-	-
Interest Income		-	1,513	1,521	1,528	1,536	1,544	1,551	1,559	1,567
Cumulative Reserve Balance		302,626	304,139	305,660	307,188	308,724	310,268	311,819	313,378	314,945
Loan Reserve			-	-	-	-	-	-	-	-
Loan Reserve Balance			-	-	-	-	-	-	-	-

REPLACEMENT RESERVE		2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance		-	15,619	42,472	69,459	96,581	123,839	151,234	103,148	130,439
Contribution		15,619	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775
Investment Income	0.50%	-	78	212	347	483	619	756	516	652
Disbursements		-	-	-	-	-	-	75,617	-	-
Ending balance		15,619	42,472	69,459	96,581	123,839	151,234	103,148	130,439	157,866

Excess CASH FLOW for DISTRIBUTION		-	-	-	840	3,567	3,725	3,881	4,035	4,186
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CASH DISTRIBUTED		2019	2020	2021	2022	2023	2024	2025	2026	2027
Limited Partner	10.00%	-	-	-	84	357	372	388	403	419
General Partner	90.00%	-	-	-	756	3,210	3,352	3,493	3,631	3,767

Cash Needs to Maintain Specified Targets

Target DSCR		2019	2020	2021	2022	2023	2024	2025	2026	2027
Target DSCR	1.80									
After 1st Mortgage		192,208	316,802	260,533	253,119	246,561	240,072	233,659	227,331	221,095
After 2nd Mortgage		N/A	N/A	N/A	492,826	448,990	451,335	453,655	455,948	458,211
After 3rd Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 4th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 5th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 6th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target Income / Expense Ratio	1.40									
After 1st Mortgage		214,306	347,838	349,599	349,968	351,749	353,847	356,276	359,051	362,187
After 2nd Mortgage		N/A	N/A	N/A	536,407	509,194	518,163	527,384	536,864	546,611
After 3rd Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 4th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 5th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 6th Mortgage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OPERATING CASH FLOW

	2028	2029	2030	2031	2032	2033	2034	2035	2036	TOTAL
INCENTIVE MANAGEMENT FEE (Enter Percentage)	39,014	40,327	41,612	42,867	44,089	45,277	46,427	112,291	-	593,995
0	-	-	-	-	-	-	-	-	-	-
CASH FLOW AVAILABLE FOR FEES	4,335	4,481	4,624	4,763	4,899	5,031	5,159	12,477	204,675	270,674
OTHER FEES	-	-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	-	-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	-	-	-	-	-	-	-	-	-	-
Net Cash Other Distribution	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	864,669
CASH FLOW AVAILABLE BEFORE TRANSFER FROM/(TO)	4,335	4,481	4,624	4,763	4,899	5,031	5,159	12,477	204,675	
RESERVES										
Operating Reserve										
Lease-Up Reserve/ Working Capital										
Deductions	-	-	-	-	-	-	-	-	-	-
Cash Flow repayment to reserves	-	-	-	-	-	-	-	-	-	-
Interest Income	1,575	1,583	1,591	1,598	1,606	1,614	1,623	1,631	1,639	1,647
Cumulative Reserve Balance	316,520	318,102	319,693	321,291	322,898	324,512	326,135	327,765	329,404	331,051
Loan Reserve	-	-	-	-	-	-	-	-	-	-
Loan Reserve Balance	-	-	-	-	-	-	-	-	-	-

REPLACEMENT RESERVE	2028	2029	2030	2031	2032	2033	2034	2035	2036	TOTAL
Beginning Balance	157,866	185,430	213,132	134,407	161,854	189,438	217,160	245,021	150,511	
Contribution	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775	26,775
Investment Income	789	927	1,066	672	809	947	1,086	1,225	753	
Disbursements	-	-	106,566	-	-	-	-	122,511	-	
Ending balance	185,430	213,132	134,407	161,854	189,438	217,160	245,021	150,511	178,038	

Excess CASH FLOW for DISTRIBUTION	4,335	4,481	4,624	4,763	4,899	5,031	5,159	12,477	204,675
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CASH DISTRIBUTED										
Limited Partner	433	448	462	476	490	503	516	1,248	20,468	27,067
General Partner	3,901	4,033	4,161	4,287	4,409	4,528	4,643	11,229	184,208	243,607

Cash Needs to Maintain Specified Targets

Target DSCR										
After 1st Mortgage	214,959	208,934	203,027	197,247	191,606	186,115	180,781	-	N/A	
After 2nd Mortgage	460,442	462,636	464,792	466,905	468,973	470,991	472,957	345,360		205,511
After 3rd Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 4th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 5th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 6th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target Income / Expense Ratio										
After 1st Mortgage	-	-	-	-	-	-	-	-	-	-
After 2nd Mortgage	365,702	369,612	373,936	378,690	383,895	389,570	395,735	-	N/A	
After 3rd Mortgage	556,633	566,936	577,531	588,424	599,624	611,141	622,983	534,432		436,744
After 4th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 5th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
After 6th Mortgage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

APPENDIX III

The following provisions shall be applicable to a purchase of the Project by the General Partner pursuant to §8.6 (“Purchaser”):

§1. Purchase Price. The Purchase Price shall be payable in full at the closing by wire transfer or certified or cashier’s check or, with any required consents of mortgage holders, by the Purchaser assuming the liabilities secured by mortgages and other liens on the Project and paying the balance of the Purchase Price, if any, in cash, wire transfer or by certified or cashier’s check at the closing.

§2. Property Purchased. The property (“Premises”) to be transferred to Purchaser shall include the following:

(a) The land upon which the Project is situated and all buildings, structures, improvements, fixtures and appurtenances located on or related to the land and buildings (collectively, “Real Property”).

(b) All tangible and intangible (other than cash balances and receivables) personal property (“Personal Property”) affixed to or used in connection with the Project and which are owned by the Partnership and used in connection with the operation and maintenance of the Project.

(c) All tenant leases, along with all tenant security deposits then held by or for the Partnership (and Purchaser shall accept the assignment of the tenant leases and tenant security deposits and shall assume the leases and landlord’s obligations thereunder). No adjustment on the Purchase Price shall be made in the event of any shortage in the tenant security deposit amounts.

§3. Survey. Purchaser shall be responsible for obtaining and paying for any evidence of title (title search, title commitment, etc.) and survey desired by Purchaser.

§4. Taxes and Assessments; Prorations; Adjustments.

(a) Partnership shall also credit on the purchase price all unpaid real estate taxes and special assessments not yet due for the years prior to the closing and a portion of such taxes and special assessments for the year of closing prorated through the date of closing. The proration of the special assessments and undetermined real estate taxes shall be based upon a 365-day year and on the most recently available assessment information and tax rate and valuation.

(b) Partnership shall pay for or arrange with Purchaser for billing and service cut-offs (or credit against the purchase price) of water, sewer, street cleaning and any other charges accrued through the day of closing and utilities which are not payable by tenants of the Project.

(c) All rents payable by the tenants of the Project shall be prorated through the date of closing and the purchase price shall be adjusted accordingly. All advance rents and security deposits paid by such tenants shall be credited against the purchase price.

(d) Purchaser agrees to use its best efforts (but shall not be required to commence legal action) to collect on behalf of Partnership any tenant rents that were due prior to the month of closing and, if Purchaser receives any such rents, deliver the same to Partnership.

(e) The following adjustments shall also be made on the basis of a 365 day year or 30 day calendar month as appropriate and as of the day of closing: (i) amounts paid or due or owing under any contracts or agreements relating to the operation or maintenance of the Project. All amounts that are owed by Partnership for the period prior to the month of closing under any item set forth in this paragraph shall be paid by Partnership.

(f) Partnership shall be obligated to and shall deliver only those tenant security deposits and other tenant funds held by or for Partnership at closing that were received by Partnership.

(g) Replacement reserves and other reserves or cash accounts maintained by the Partnership shall be transferred to the Purchaser, if required by a lender or other third party controlling the account and the Purchase Price payable by Purchaser shall be correspondingly increased.

(h) The adjustments and prorations described in this §4 shall increase or decrease the amount due (but not below the liabilities secured by liens on the Project) from the Purchaser at closing. The provisions of this §4 shall survive the closing.

§5. Transfer of Real Property. Partnership shall convey and transfer insurable title to the Real Property by a recordable Special Warranty Deed. Purchaser shall cause, at Partnership's cost, the Special Warranty Deed to contain all necessary state, county and city approvals. Partnership shall pay transfer fees and taxes associated with the conveyance of the Real Property to Purchaser.

§6. Personal Property. The Personal Property shall be conveyed by a special warranty bill of sale to Purchaser at closing.

§7. As Is Condition. The Premises shall be conveyed at closing in an "as is" condition. No express or implied warranties are given or made with respect to the condition of the same and Purchaser shall acknowledge that it is its obligation to inspect the Premises and accept the same in its "as is" condition at closing. No express or implied warranties are or will be given or made by Partnership.

§8. Condemnation, Casualty.

(a) Condemnation. Purchaser shall not be obligated to perform under §8.6 or §8.7 (as the case may be) of the Agreement if on the closing date any portion of the Real Property has been condemned or sold under threat of condemnation, or is the subject of a condemnation proceeding, in which event this Partnership Agreement shall terminate unless Purchaser elects to close. If Purchaser so elects to close, it shall be entitled to receive any condemnation proceeds payable with respect to the Real Property or Personal Property to Partnership.

(b) Casualty.

(i) Purchaser shall not be obligated to perform under its purchase obligation if on or before the closing date any portion of the Real Property has been damaged by fire, storm, flood or other casualty, the damage of which is in excess of \$1,000,000. In the case of such damage in an amount less than \$1,000,000, or if Purchaser elects not to terminate its purchase obligation in the event of such damage in an amount in excess of \$1,000,000, Purchaser shall be entitled to the proceeds of the insurance policy payable as a result of such damage and Purchaser's purchase obligation shall remain in full force and effect without any purchase price adjustment.

(ii) If the amount of such damage is in excess of \$1,000,000, Purchaser may elect by written notice to the Limited Partner, given no later than 30 days after receipt of Purchaser's notice of the casualty, not to terminate its purchase obligation.

§9. Closing; Possession.

(a) As used in this Appendix, references to "a closing," the "closing" or "day of closing" shall mean a closing of the purchase and sale contemplated by §8.6(c) or §8.6(d) or §8.7, as the case may be, of the Partnership Agreement and this Addendum. Purchaser shall be entitled to possession of the Premises on the day of closing, subject to rights of tenants.

(b) Unless the Purchaser's election to purchase is terminated pursuant to the provisions hereof, the closing shall occur within 30 business days after the determination of the purchase price, with all prorations and adjustments made as of the date of closing. The closing shall be at a place and time in the county and state where the Real Property is located as designated by the General Partner.

§10. Partnership to Retain Receivables. Purchaser shall agree that Partnership shall retain all of the rights to any and all receivables and claims for recovery related to any transaction or matter prior to the date of closing. Purchaser shall cooperate, at no cost to Purchaser, in the collection of any such receivable or the prosecution of any such claim and, if collection thereof is received by Purchaser, the proceeds thereof will be promptly remitted to Partnership.

APPENDIX IV

Form of Requisition

BORROWER: St. Martins Preservation II Limited Partnership
PROJECT: St. Martin Townhouses

REQUISITION NO.:
In the Amount of \$ _____

TO: KEY COMMUNITY DEVELOPMENT CORPORATION (the “Asset Manager”)
[TO BE PROVIDED]

The Borrower hereby requests payments in the following amounts, from the following sources and to be made to the following parties, all as set forth on the Borrower’s Request for Payment attached to this Requisition:

Amount	Source	Payable to:
---------------	---------------	--------------------

Requisition – Contents and Attachments

- Borrower’s Request for Payment
- Contractor’s and Architect’s Application and Certification for Payment (AIA Form G-702) including change orders if applicable
- Paid Invoices Supporting Application (AIA Form G-702), as appropriate
- Paid Invoices Supporting Borrower’s Request for Payment, as appropriate
- Lien Waivers
- Architect’s Certificate (100% completion of Improvements only)
- Borrower’s Representations and Warrants

The Borrower hereby requisitions the funds described above, and makes the representations and warranties attached hereto to the Servicer and the Fiscal Agent.

ST. MARTINS PRESERVATION II LIMITED
PARTNERSHIP, a Connecticut limited partnership

By: St. Martins Preservation II GP LLC,
its General Partner

By: _____
Name: _____
Title: _____

The foregoing Requisition is approved by the Asset Manager.

“Asset Manager”

KEY COMMUNITY DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

Q

Documentation of
Rental Assistance, Tax
Abatement and/or
Existing HUD/RD

VIA ELECTRONIC MAIL

(bal.incoming@hud.gov; Tanya.Winters@hud.gov)

December 22, 2020

Tanya Winters
Senior Account Executive
U.S. Department of Housing and Urban Development
Baltimore Satellite Office
Bank of America Building, Tower II
100 South Charles Street, Suite 500
Baltimore, MD 21201

Re: Atlantis Apartments (the "**Project**")
Virginia Beach, Virginia
HAP Contract # VA36-L000-001
Request for HUD Approvals

Dear Ms. Winters:

On behalf of Fairstead Affordable LLC ("**Fairstead**"), an affiliate of Atlantis Preservation LP, a Virginia limited partnership (the "**Proposed Owner**"), we are writing to request the U.S. Department of Housing and Urban Development's ("**HUD**") approval to transfer the Project to the Proposed Owner. The Proposed Owner intends to rehabilitate the Project to ensure its preservation as high quality, affordable housing. The Proposed Owner respectfully requests approval of the following items:

1. the assignment of the Section 8 project-based Housing Assistance Payments Contract (the "**HAP Contract**") to the Proposed Owner;
2. the assignment of the HAP Contract as security for the Project's new financing;
3. a change in management agent;
4. the early termination of the existing HAP Contract in order to replace it with a 20-year Mark up to Market ("**MUTM**") form of contract with a post-rehabilitation rent increase under Chapter 15 (the "**Chapter 15/MUTM Renewal**") of the Section 8 Renewal Policy Guide (the "**Guide**") to be effective at the closing of the new financing;
5. the form of Section 8 Use Agreement that will be recorded in connection with the new Chapter 15/MUTM Renewal;
6. a 16-month construction period to be reflected in the MUTM Addendum (defined below);
7. that a new baseline utility allowance not to be required until the 1st anniversary date of the Chapter 15/MUTM Renewal;
8. that HUD will postpone all REAC inspections until the planned rehabilitation is complete; and
9. pass-through leases for the tenants who will be temporarily relocated off-site during construction.

VII. CONCLUSION

Without rents sufficient to support this preservation financing, the Proposed Owner cannot acquire the Project and complete the rehabilitation required to maintain the Project as a long term viable affordable housing asset. The parties are targeting to close the transaction on **May 1, 2021** and begin rehabilitation shortly after acquisition.

Please do not hesitate to contact me (dklosko@hapc.com) or James Maerder (jmaerder@hapc.com) at (202) 466-5300 at any time if you have any questions. Thank you.

Sincerely,



Deborah Klosko

Enclosures

cc: Tristese Wells, Navigate (*Via Email with Enclosures – Exhibit 11 only*)
Estelle Chan, Fairstead (*Via Email with Enclosures*)
Grace An, Fairstead (*Via Email with Enclosures*)
James Maerder, HAO (*Via Email with Enclosures*)



HAP

U. S. Department of Housing & Urban Development

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

April 25, 2005

Mr. Bruce Kovalevich
Financial Analyst
Interstate Realty Management Company
1 E. Stow Road
P. O. Box 994 0994
Marlton, NJ 08053-~~0994~~

Dear Mr. Kovalevich:

SUBJECT: Atlantis Apartments, Project No. 051-35541
HAP Contract No. VA36L000001

We have executed your above subject Section 8 Contract under Section 524(a) of the FY 2005 Appropriations Act. Enclosed is your copy of the Section 8 HAP Contract. Your Section 8 HAP Contract expires on April 30, 2006. The contract reflects the funding commitment through April 30, 2006.

If you have any questions, please do not hesitate to contact Yolanda Webster, Funding Specialist, at 804-771-2100 ext. 3857.

Very sincerely yours,

A handwritten signature in cursive script that reads "Charles C. Famuliner".

Charles C. Famuliner
Director
Multifamily Program Center

Enclosure

Department of Housing and Urban Development

Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

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**

1 CONTRACT INFORMATION ²

PROJECT

Section 8 Project Number VA36L000001

Section 8 Project Number of Expiring Contract

(These contract numbers or stages are terminated as of the effective date of this contract.)

N/A

FHA Project Number (if applicable) 05135541

Project Name ATLANTIS APTS

Project Description ³ 999 Atlantis Drive
VIRGINIA BEACH, VA 23451-5701

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including 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 Administrator ⁴

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

Address of Contract Administrator

Richmond Multifamily Program Center

600 East Broad Street

Richmond, VA 23219

Name of Owner ⁵

CP Atlantic L. P.

Address of Owner

1 East Stow Road

P. O. Box 994

Marlton, NJ 08053-0994

2 TERM OF RENEWAL CONTRACT

a The term of the Renewal Contract begins on

05/01/2005

6

b Subject to the availability of sufficient appropriations to make housing assistance payments for any year in accordance with the Renewal Contract, as determined by HUD, the Renewal Contract shall run for a period of 20.0

years, beginning on the first day of the term.⁷ Section 8 housing assistance payments to the Owner during the Renewal Contract term shall only be made from budget authority appropriated by the Congress, and available for this purpose.

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. 1384ff), as amended by section 531(a) of the Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act, 2000 (Public Law No. 106-74, October 20, 1999, 113 Stat. 1109ff).

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, as Contract Administrator, in accordance with 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 the 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 (HUD or PHA)

Name of Contract Administrator (Print)

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

By

Charles C. Famuliner

Signature of authorized representative

Charles C. Famuliner, Authorized Agent

Name and official title (Print)

Date

4/25/05

Owner

Name of Owner (Print)

CP ATLANTIC, L.P.

ATLANTIS-MICHAELS, LLC, ITS GENERAL PARTNER

By

✓

[Signature]

Signature of authorized representative

MICHAEL J. LEVITT - SOLE MEMBER

Name and official title (Print)

Date

✓

4/18/05

EXHIBIT A

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

Section 8 Number: VA36L000001

Rent Effective Date: 7/1/2005

Number of Contract Units	Number of Bedrooms	Contract Rent
20	1	\$560.00
92	3	\$750.00
94	2	\$650.00

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.

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

¹ This form of Renewal Contract must be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract in accordance with HUD requirements, and Sections 524(a) and (b)(1) of MAHRA.

This form may not be used for Mark-Up-To-Market Renewals. The HUD prescribed form of Mark-Up-To-Market Renewal Contract must be used for this purpose.

Section 2 of the Renewal Contract specifies the contract term.

² To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

³ Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered Project.

If necessary, attach an exhibit with a site plan, legal description or other descriptive information. Enter a reference to the attached exhibit.

⁴ Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America - Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

⁵ Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

⁶ The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

⁷ Enter the term of the renewal contract. The term shall be determined in accordance with HUD requirements. Insert the number of whole years.

R

Documentation of
Operating Budget
and Utility Allowance

Atlantis Apartments

Notes on Underwritten Rents

The per unit monthly rents that are projected on the Unit Details tab represent the approved post rehab Section 8 HAP contract rents for Atlantis Apartments. These rents will go into effect at the time of the tax credit closing to support the new fully amortizing debt established at closing.

While these rents are higher than the LIHTC limits for the income targeting we have outlined in the application, the tenants will not be negatively affected by the rents.

The property will have a regulatory obligation to comply with the projected income targeting and the necessary income certifications will be completed for all residents. Any difference in the approved HAP contract rents and a tenant rent obligation limit established by the LIHTC income restrictions will be filled with Section 8 subsidy.

As an additional note, we do not anticipate any forced relocation as a result of the proposed income targeting or rent structure. We have reviewed the tenant income profiles of the existing tenant base and all qualify under the LIHTC income targets specified in the application.

PROJECT UNDERWRITING - Atlantis Apartments

<u>Revenue</u>	Tax Credit <u>Proforma</u>	<u>Per Unit</u>	<u>Comments</u>
Rental Income			
Gross Rent	4,115,280	19,785	
Section 8	-	-	
Stores and Commercial	-	-	
Garage and Parking	-	-	
Flexible Subsidy Revenue	-	-	
Miscellaneous Inc	-	-	
Total Rent Revenue	4,115,280	19,785	
Rent Loss			
Apartments Loss	205,764	989	
Commercial Loss	-	-	
Rental Concessions	-	-	
Garage and Parking Loss	-	-	
Bad Debts	-	-	
Miscellaneous Rent Loss	-	-	
Total Rent Loss	205,764	989	
Other Revenue			
Laundry and Vending	5,000	24	
Tenant Charges	-	-	
Social Service Revenue	-	-	
Miscellaneous Revenue	-	-	
Total Other Revenue	5,000	24	
Total Revenue	3,914,516	18,820	
Expenses			
Admin Expenses			
Advertising and Marketing	2,000	10	
Other Renting Expenses	-	-	
Office Salaries	60,000	288	
Office Expenses	45,000	216	
Management Fee	137,280	660	
Bookkeeping Fee	-	-	
Manager or Superintendent	70,000	337	
Administrative Rent Free Unit	-	-	
Legal Expense	8,000	38	
Audit Expense	8,700	42	
Social Service Expense	90,000	433	
Miscellaneous Admin Expense	15,000	72	
Total Admin Expenses	435,980	2,096	
Utilities			
Utility Mgmt	-	-	
Fuel Oil/Coal	-	-	
Electricity	19,990	96	
Water	77,736	374	
Gas	-	-	
Sewer	222,754	1,071	
Misc	-	-	
Total Utilities Expenses	320,481	1,541	
Operating and Maintenance			
Payroll	150,000	721	
Supplies	85,000	409	
Contracts	70,000	337	
Cap Ex - Operations	-	-	
Garbage and Trash Removal	37,004	178	
Security Payroll/Contract	85,000	409	
Heating/Cooling Repairs/Maint.	7,500	36	
Snow Removal	-	-	
Vehicle and Maint. Equip	500	2	
Miscellaneous O & M	5,000	24	
Total O&M Expenses	440,004	2,115	
Taxes and Insurance			
Real Estate Taxes	249,288	1,198	
Payroll Taxes	28,000	135	
Property and Liability Insurance	114,400	550	
Fidelity Bond Insurance	-	-	
Workmen's Compensation	5,000	24	
Health Insurance and Benefits	48,000	231	
Misc. Taxes, Lic., Permits	10,000	48	
Total Taxes & Insurance	454,688	2,186	
Total Cost of Operations	1,651,152	7,938	
Replacement Reserve Deposits	62,400	300	
Cap Ex - From Reserves	-	-	
Net Operating Income	2,200,964	10,582	
Per unit Calculations			
Op Exp Less Utilities & RE Tax	5,199		
Revenue:	18,820		
Expenses:	7,938		
NOI:	10,582		

Utility Allowances Referenced on HUD Rent Schedule

Rent Schedule Low Rent Housing

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0012
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name Atlantis Apartments - VA36L000001	FHA Project Number 051-35541	Date Rents Will Be Effective (mm/dd/yyyy) 5/1/2020
--	--	--

Part A - Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy) 05 / 01 / 2020)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 Bedroom, Family	20	\$850	\$17,000	\$78	\$928	\$0	\$0
2 Bedroom, Family	94	\$985	\$92,590	\$107	\$1,092	\$0	\$0
3 Bedroom, Family	92	\$1,310	\$120,520	\$142	\$1,452	\$0	\$0
Non Section 8 Rents			0		0		0
2 Bedroom	1	\$1,325	\$1,325	\$0	\$1,325	\$0	\$0
2 Bedroom, Family	1	\$0	\$0	\$0	\$0	\$0	\$0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Units	208	Monthly Contract Rent Potential (Add Col. 4)*				Monthly Market Rent Potential (Add Col. 8)*	
			\$231,435				\$0
		Yearly Contract Rent Potential (Col. 4 Sum x 12)*				Yearly Market Rent Potential (Col. 8 Sum x 12)*	
			\$2,777,220				\$0

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B - Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

- | | | |
|---|--|--------------------------|
| <input checked="" type="checkbox"/> Range | <input type="checkbox"/> Dishwasher | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Refrigerator | <input checked="" type="checkbox"/> Carpet | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Air Conditioner | <input type="checkbox"/> Drapes | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Disposal | <input type="checkbox"/> | <input type="checkbox"/> |

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)
E=electric; G=gas; F=fuel oil or coal.

- | | | |
|---|---|--|
| <input type="checkbox"/> Heating <u>E</u> | <input type="checkbox"/> Hot Water <u>E</u> | <input type="checkbox"/> Lights, etc. <u>E</u> |
| <input type="checkbox"/> Cooling <u>E</u> | <input type="checkbox"/> Cooking <u>E</u> | <input type="checkbox"/> |

Services/Facilities (check those included in rent)

- | | | |
|---|--------------------------|---|
| <input checked="" type="checkbox"/> Parking | <input type="checkbox"/> | <input type="checkbox"/> Nursing Care |
| <input type="checkbox"/> Laundry | <input type="checkbox"/> | <input type="checkbox"/> Linen/Maid Service |
| <input type="checkbox"/> Swimming Pool | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Tennis Courts | <input type="checkbox"/> | <input type="checkbox"/> |

Part C - Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
NONE	\$ 0.00
	\$
	\$
	\$
	\$
	\$ 0.00

Part D - Non-Revenue Producing Spaces

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
Community Room	2 Bedroom, Family	\$0
Daycare	2 Bedroom, Family	\$1,325
Total Rent Loss Due to Non-Revenue Units		\$ 1,325

Part E - Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
Total Commercial Rent Potential			\$ 0

Part F - Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender) **\$ 230,110**

S

Supportive Housing
Certification

Not Applicable

T

Funding Documentation

- 1. Wells Fargo - Debt Commitment**
- 2. Wells Fargo - Equity LOI**



February 9, 2021

John Tatum
Fairstead Affordable, LLC
250 West 55th Street
New York, NY 10019

**RE: Cover Letter to Freddie Mac TEL Loan Application
Atlantis Apartments – Virginia Beach, VA**

Mr. Tatum,

The following information pertains to the Freddie Mac Tax Exempt Loan (“TEL”) loan application issued to you by Wells Fargo Multifamily Capital (“WFMC”) for the above-referenced project, which was executed on February 5, 2021 and is attached to this cover letter. By receipt of this cover letter, WFMC confirms its understanding of Borrower’s selection to move forward with loan processing based on Loan Option #3 detailed within Section G of the Loan Application, specifically on pages 6-7.

General terms of Loan Option #3 are detailed below, but please refer to the loan application for further detail:

Loan Amount:	\$33,000,000
Loan Term:	204 months
Amortization:	420 months
Accrual Type:	Actual/360
Prepayment Period:	198 months
Prepayment Type:	10-yr lockout followed by Yield Maintenance
Minimum DSCR	1.15x
Maximum LTV	80%
Pricing:	Spread of 2.14% over the 10-yr US Treasury Yield
Estimated “All-in” Rate (as of 1/26/2021):	3.25%, but subject to change until rate lock
Treasury Floor:	0.96%

Please be advised that this is not a commitment to provide financing, which can only be provided after completion of due diligence and credit review by the bank. As such, the loan remains subject to final approval by Freddie Mac and Wells Fargo.

Very best,

Justin Shackleford
Director, Multifamily Capital Group

Wells Fargo Multifamily Capital Freddie Mac Loan Application



January 28, 2021

Expiration Date: February 5, 2021

Borrower: Atlantis Preservation LP
c/o: John Tatum
Fairstead Affordable, LLC
250 West 55th Street
New York, NY

Atlantis Apartments

999 Atlantis Drive
Virginia Beach, VA

Dear Mr. Tatum,

Wells Fargo Multifamily Capital is pleased to have this opportunity to consider your request for a Freddie Mac Tax Exempt Loan (TEL) (the "Loan"), received via email, for Atlantis Apartments based on the terms and conditions presented below. Upon your return of an executed copy of this letter and its exhibits (collectively, the "Application"), along with the Application Fee and the Freddie Mac Application Fee, Wells Fargo Bank, N.A. ("Wells Fargo" or "Lender") will begin processing your Application for the financing of the proposed Loan.

Please note that this Application is not a commitment to provide a Loan. A commitment can only be issued upon completion of underwriting acceptable to Lender and Freddie Mac. Borrower shall provide Lender with all information and documents required to underwrite the Loan request. The final Loan terms may be different from those described below. The terms "Applicant" and "Borrower" are used interchangeably and mean the addressee above and any affiliated successor entity approved by Wells Fargo in connection with the Loan.

A. Loan Terms and Underwriting Parameters

Agency/Program	Freddie Mac Tax Exempt Loan (TEL) via Immediate Funding	
Interest Type	Fixed	
Loan Amount	\$33,000,000	
Loan Term	204 Months	
Amortization Period	480 Months	
Interest Rate	As of January 26, 2021	
Index	10 Year Treasury	
Index Rate	1.110%	
Spread	2.230%	
Estimated Total Rate	3.340%	(Interest Rate is subject to change until Rate Lock)
Treasury Floor Rate	0.96%	Minimum loan sizing 10 Year Treasury floor rate. The yield rate that will be used to determine the interest rate for the Loan will be the greater of (a) the yield on the applicable US Treasury Security at the time of Interest Rate Lock and (b) the Treasury Floor.

Net Spread Adjustment	If the spread for Freddie Mac's K-000 Series 10-year Fixed Rate Class A-2 Certificates ("K-000 Series Class A-2 Spread") published on the K-Series Spread Reference Page exceeds the K-000 Series Class A-2 Spread of 0.23% (publication date: 1/19/2021) by more than 25 basis points (0.25%), Freddie Mac reserves the right to increase the Net Spread by an amount to be determined by Freddie Mac in its sole discretion. The K-Series Spread Reference Page can be found at https://mf.Freddie.com/lenders/uw/ under the "Quick Links" header, and is designated for K-000 Series Class A-2 Spread publication.
Interest Accrual	Actual/360
Minimum As-Improved DCR	1.20x as underwritten using the actual interest rate
Maximum LTV	90% of the underwritten value as determined by Wells Fargo. Minimum value of \$36,666,667 (\$176,282/unit) must be supported by a certified appraisal.
Prepayment Type	10 Year lockout followed by Yield Maintenance until six months prior to maturity. The loan is pre-payable at 1%, six months before maturity. The loan is open at par for the last 90 days. If the loan is not securitized within the first year, then Yield Maintenance applies for the life of the Loan. In this event, the Loan will be open to prepayment during the entire term. Partial prepayments will not be allowed. Borrower must pay interest accrual through the last day of the month in which payoff occurs, along with a premium as follows: a) during the Prepayment Period, the greater of a Yield Maintenance formula or 1.0% of the unpaid principal balance applies; b) after the Prepayment Period, a premium equal to 1.0% of the unpaid principal balance continues until the last 3 months of the Loan Term; and c) no prepayment premium is in effect during the last 3 months of the Loan Term.
Prepayment Period	198 Months
Underwritten NOI	As-Is: \$1,820,113; As-Improved: \$1,871,950 Underwritten income and expenses are subject to support and confirmation by a certified appraisal, market comparables and the Borrower's Budget.
Minimum Collections	Net rental collections must average at least \$300,841 based on the HAP contract rents in place at closing.

B. Borrower Requirements and Obligations

Borrower	Borrower must be a bankruptcy remote special purpose entity which meets the underwriting requirements of Freddie Mac Tax Exempt Loan (TEL).
Guarantor(s)	Fairstead Affordable LLC Borrower and Guarantor(s) authorize Lender to obtain any credit reports or any financial information which Lender deems necessary in connection with this Application. Guarantor(s) must demonstrate a Net Worth and Liquidity acceptable to Freddie Mac of at least: Net Worth: \$15,000,00 Liquidity: \$3,300,000 (greater of 10% of the Loan Amount or 100% of the annual debt service)

Any entity Guarantor will be required to sign financial covenants to maintain Net Worth and Liquidity levels detailed above throughout the term of the loan.

Borrower and Guarantor are subject to satisfactory credit review of personal financial statement, SREO, and acceptable organization structure.

Recourse

Non-recourse to Borrower and Guarantor(s) except for the standard Freddie Mac exceptions to recourse carve-outs. Guarantor(s) will execute an acknowledgement of liability for the standard recourse carve-outs.

Guarantees

Freddie Mac will require both a Rehab Completion Guaranty and an Operating Deficit Guaranty until rehabilitation is complete. The guarantees will be released upon satisfactory completion of all rehab efforts per agreed upon scope of work and third party engineer's final approval.

C. Escrow Requirements

Completion/Repair Escrow

The amount of the escrow shall be 125% of the cost of repairs determined by the engineer, but Lender will consider using actual bids provided by Borrower to determine final amount. This escrow is specific to any engineer-determined repairs not already addressed within the LIHTC rehab scope of work.

Replacement Reserve

Required, and preliminarily estimated to be \$300 per unit per year with a potential initial deposit, subject to results of a physical needs assessment and final underwriting.

Tax Escrows

Required.

Insurance Escrows

Required.

**Preservation
Rehabilitation
Escrow Agreement**

Borrower will provide and Wells Fargo will administer the funds necessary to complete the proposed rehabilitation in accordance with plans and specifications approved by Lender. Proceeds of the Tax Exempt Loan and/or equity contribution will be used to fund the Preservation Rehabilitation Escrow account. During the rehabilitation period, Loan draws will be administered by Wells Fargo per agreed-upon monthly draw procedures. Wells Fargo will retain, at Borrower's expense, a qualified professional to review each monthly draw request, inspect the work completed, and certify the approved disbursement.

D. Loan Documents

Loan Security

An insured lien on the above referenced property (the "Property") as evidenced by a security instrument and any other documents required by Lender (the "Loan Documents").

Loan Documents

Freddie Mac standard loan documents for TEL inclusive of Fairstead's pre-negotiated changes approved by Freddie Mac, which will require Borrower to make certain disclosures and certification in connection with securitization, as more particularly described in the Multifamily Loan and Security Agreement.

Financial Reporting

The Loan Documents will require the Borrower and Guarantor(s) to submit certain financial statements and other information at regular intervals throughout the term of the Loan.

Subordinate Liens	The Loan Documents will prohibit subordinate liens without Lender's express prior approval.
Title Insurance	In the current circumstances regarding COVID-19, recording offices have been closing and if not equipped to e-file documents, the security documents cannot be recorded. In the event the Property jurisdiction is unable to record security documents and release a final title policy upon funding, no rate lock may occur and closing may be delayed or cancelled. A gap indemnity will not be accepted unless the recording office is operational at the time of closing. If the interest rate has not been locked and closing is cancelled as a result of the foregoing, Lender shall refund all deposits other than those which have been used for actual out-of-pocket expenses (i.e. engineering, appraisal and the like).
Transfers	The Loan Documents shall define certain events as Transfers. The events include, but are not limited to, transfers of the Property and direct or indirect transfers of controlling interest in Borrower. The Loan Documents will contingently permit certain Transfers. The contingencies will include payment of a \$15,000 review fee, a 1.0% Transfer Fee (based on the unpaid balance of the Loan at the time, not to exceed \$250,000) and all of Lender's expenses.

E. Fees and Deposits

Whether or not the Loan closes, Borrower agrees to pay all reasonable costs and expenses incurred in connection with this Application or the proposed Loan, including, without limitation, the cost of third party reports and, if applicable, the internal review thereof (appraisal, environmental assessment, property condition report, zoning report, credit analysis, insurance, zoning), site inspection, reasonable attorney's fees, brokerage fees, if any, and closing fees/costs.

Application Fee The Application Fee of **\$20,000** was wire transferred in accordance with Exhibit C and received on January 13, 2021.

The Application Fee shall be used for payment of a non-refundable Review Fee of \$5,000 and for reimbursement of Lender's expenses. An accounting of Lender's expenses shall be provided at the Loan closing and other than the Review Fee, any unused portion of the Application Fee will be credited to Borrower at Loan closing. In the event that Lender's costs and expenses exceed the Application Fee, Borrower shall pay such difference at the Loan closing or promptly upon demand.

Origination Fee 0.85% of the Loan amount, earned upon rate lock and payable out of the Rate Lock Deposit at closing.

Lender Legal Fees & Costs Borrower is responsible for paying all fees and related out-of-pocket costs of Lender's and if applicable Freddie Mac's legal counsel (whether or not the Loan closes). During TEL loan transactions, Lender and Freddie Mac will utilize joint counsel.

Freddie Mac Application Fee Freddie Mac charges an application fee on all transactions equal to the greater of \$3,000 or 0.10% (one tenth of one percent) of the Loan Amount. The fee becomes earned and non-refundable on the earlier of the date which is 30 days from receipt of the signed Application or the date Wells Fargo submits its full underwriting package to Freddie Mac.

Construction Monitoring Lender will monitor the progress and quality of construction and report such findings to the Agency on a regular basis throughout the construction period. Borrower will be responsible for all costs associated with construction monitoring. All construction monitoring reports provided by the engineer will be shared with the construction lender and LIHTC investor.

Good Faith Deposit Borrower must pay a 1.0% Good Faith Deposit within 24 hours prior to Rate Lock. Upon Rate Lock the Good Faith Deposit will be fully earned by Lender and will be forfeited if Closing does not occur for any reason other than a willful default by the Lender. At Closing, Lender will refund the Good Faith Deposit to Borrower, less any unpaid fees which may be due in connection with the Closing.

F. Alternative Financing Structures – Option 2

Agency/Program	Freddie Mac Tax Exempt (TEL) Loan via Immediate Funding	
Interest Type	Fixed	
Loan Amount	\$33,000,000	
Loan Term	204 Months	
Amortization Period	480 Months	
Interest Rate Index	As of January 26, 2021 10 Year Treasury	
Index Rate	1.110%	
Spread	2.160%	
Estimated Total Rate	3.270%	(Interest Rate is subject to change until Rate Lock)
Treasury Floor Rate	0.96%	Minimum loan sizing 10 Year Treasury floor rate. The yield rate that will be used to determine the interest rate for the Loan will be the greater of (a) the yield on the applicable US Treasury Security at the time of Interest Rate Lock and (b) the Treasury Floor.
Net Spread Adjustment	If the spread for Freddie Mac's K-000 Series 10-year Fixed Rate Class A-2 Certificates ("K-000 Series Class A-2 Spread") published on the K-Series Spread Reference Page exceeds the K-000 Series Class A-2 Spread of 0.23% (publication date: 1/19/2021) by more than 25 basis points (0.25%), Freddie Mac reserves the right to increase the Net Spread by an amount to be determined by Freddie Mac in its sole discretion. The K-Series Spread Reference Page can be found at https://mf.FreddieMac.com/lenders/uw/ under the "Quick Links" header, and is designated for K-000 Series Class A-2 Spread publication.	
Interest Accrual	Actual/360	
Minimum DCR	1.20x as underwritten using the actual interest rate	
Maximum LTV	80% of the underwritten value as determined by Wells Fargo. Minimum value of \$41,250,000 (\$198,317/unit) must be supported by a certified appraisal.	
Prepayment Type	10 Year lockout followed by Yield Maintenance until six months prior to maturity. The loan is prepayable at 1%, six months before maturity. The loan is open at par for the last 90 days. If the loan is not securitized within the first year, then Yield Maintenance applies for the life of the Loan. In this event, the Loan will be open to prepayment during the entire term. Partial prepayments will not be allowed. Borrower must pay interest accrual through the last day of the month in which payoff occurs, along with a premium as follows: a) during the Prepayment Period, the greater of	

a Yield Maintenance formula or 1.0% of the unpaid principal balance applies; b) after the Prepayment Period, a premium equal to 1.0% of the unpaid principal balance continues until the last 3 months of the Loan Term; and c) no prepayment premium is in effect during the last 3 months of the Loan Term.

Prepayment Period	198 Months
Underwritten NOI	As-Is: \$1,820,113; As-Improved: \$1,871,950 Underwritten income and expenses are subject to confirmation by a certified appraisal, market comparables and the Borrower's Budget.
Minimum Collections	Net rental collections must average at least \$300,841 based on the HAP contract rents in place at closing.

G. Alternative Financing Structures - Option 3

Agency/Program	Freddie Mac Tax Exempt (TEL) Loan via Immediate Funding	
Interest Type	Fixed	
Loan Amount	\$33,000,000	
Loan Term	204 Months	
Amortization Period	420 Months	
Interest Rate Index	As of January 26, 2021 10 Year Treasury	
Index Rate	1.110%	
Spread	2.140%	
Estimated Total Rate	3.250%	(Interest Rate is subject to change until Rate Lock)
Treasury Floor Rate	0.96%	Minimum loan sizing 10 Year Treasury floor rate. The yield rate that will be used to determine the interest rate for the Loan will be the greater of (a) the yield on the applicable US Treasury Security at the time of Interest Rate Lock and (b) the Treasury Floor.
Net Spread Adjustment	If the spread for Freddie Mac's K-000 Series 10-year Fixed Rate Class A-2 Certificates ("K-000 Series Class A-2 Spread") published on the K-Series Spread Reference Page exceeds the K-000 Series Class A-2 Spread of 0.23% (publication date: 1/19/2021) by more than 25 basis points (0.25%), Freddie Mac reserves the right to increase the Net Spread by an amount to be determined by Freddie Mac in its sole discretion. The K-Series Spread Reference Page can be found at https://mf.FreddieMac.com/lenders/uw/ under the "Quick Links" header, and is designated for K-000 Series Class A-2 Spread publication.	
Interest Accrual	Actual/360	
Minimum DCR	1.15x as underwritten using the actual interest rate	
Maximum LTV	80% of the underwritten value as determined by Wells Fargo. Minimum value of \$41,250,000 (\$198,317/unit) must be supported by a certified appraisal.	
Application for a Freddie Mac TEL Loan		

Prepayment Type	10 Year lockout followed by Yield Maintenance until six months prior to maturity. The loan is pre-payable at 1%, six months before maturity. The loan is open at par for the last 90 days. If the loan is not securitized within the first year, then Yield Maintenance applies for the life of the Loan. In this event, the Loan will be open to prepayment during the entire term. Partial prepayments will not be allowed. Borrower must pay interest accrual through the last day of the month in which payoff occurs, along with a premium as follows: a) during the Prepayment Period, the greater of a Yield Maintenance formula or 1.0% of the unpaid principal balance applies; b) after the Prepayment Period, a premium equal to 1.0% of the unpaid principal balance continues until the last 3 months of the Loan Term; and c) no prepayment premium is in effect during the last 3 months of the Loan Term.
Prepayment Period	198 Months
Underwritten NOI	As-Is: \$1,820,113; As-Improved: \$1,871,950 Underwritten income and expenses are subject to confirmation by a certified appraisal, market comparables and the Borrower's Budget.
Minimum Collections	Net rental collections must average at least \$300,841 based on the HAP contract rents in place at closing.

H. Special Considerations

1. Borrower acknowledges and agrees that because of disruption in the financial markets resulting from COVID 19, Lender's obligation to make the Loan remains subject to any additional conditions, requirements or restrictions any specific requirements imposed by Freddie Mac upon Lender as a condition to the Closing of the Loan (i.e. changes in escrow requirements, vacancy parameters).
2. Quote is subject to the submission of a Full Underwriting Package in its entirety in full compliance with the Guide and all other Freddie Mac requirements per the timing detailed above. Should the Full Underwriting Package not meet the defined requirements, Freddie Mac may at its full sole discretion require a Debt Service Reserve (DSR) and other appropriate changes to the terms of the quote such as to mitigate the risk associated with the incomplete submission.
3. Above pricing assumes 150-Day hold period on the interest rate spread, commencing at execution of Loan Application. The spread hold period based on this loan application would expire on 6/27/2021.
4. Proposed Loan is based on satisfactory Mortgage Credit analysis of the Borrowers/Guarantors; including a review of their net worth and liquidity and performance of their SREO (DSCR, LTV, loan maturity, NCF, etc.) as well as any previous GSE requirements and bank credit and compliance checks.
5. Wells Fargo's financing of the Loan is subject to review of the Regulatory and Use Agreement, any Housing Assistance Payments Contract and all other documents pertaining to any subsidies applicable to the Property.
6. Proposed loan assumes Wells Fargo will act as tax credit equity investor. Should this change, the new investor will be subject to Freddie Mac approval.
7. Rehabilitation and stabilization period must be completed within 24 months. Final Rehab Scope of Work to be confirmed via Physical Needs analysis and engineering report, and is subject to Freddie Mac approval. General Contractor is subject to review and approval.
8. Renovation work must cost no more than \$60,000/unit. However, renovation work may exceed \$60,000/unit if a long term HAP Contract is in place at closing.
9. The combination of the Loan, the LIHTC equity raise, and any grants or approved third-party subordinate debt cannot exceed 100% of recognized total development costs.
10. The proposed loan terms assume no ground lease, tax exemption, or subordinate debt. Should the project include any of these items, the loan terms and pricing are subject to change.

11. All underwritten income, expenses, and economic vacancy, subject to confirmation by a certified appraisal.
12. If the as-is DCR is below the priced DCR [i.e. 1.20x] based on final underwriting, Borrower must post collateral for the gap in supportable proceeds based on As-Is NOI versus As-Stabilized NOI. Acceptable forms of collateral include: (1) cash escrow or (2) Letter of Credit acceptable to Freddie Mac.
13. Long Term-Project Based Section 8 Contract must be in place prior to closing.
14. Up to 10% of the total Project-Based HAP Contract Overhang amount above market rents, as confirmed by final appraisal, may be underwritten if the Freddie Mac refinance test passes using market rents.
15. In order to waive the Section 8 Transition Reserve, the following criteria must be met:
 - A. Compliant Borrower/Sponsor financial net worth and liquidity.
 - B. Borrower/Sponsor owns at least 5 Section 8 Properties, including the subject, and has at least 10 years' experience in affordable housing experience.
 - C. The property must be in satisfactory condition as determined by the property inspection and a REAC score ≥ 70 .
16. Proposed loan remains subject to Freddie Mac's refinance exit test.
17. Replacement Reserve collection to be waived during the rehabilitation period.
18. Underwritten value must be based on the lender-engaged appraisal value.
19. Subject to satisfactory site inspection by Freddie Mac and Wells Fargo.
20. Proposed loan assumes an ongoing Virginia Beach Development Authority ("VBDA") issuer fee of 12.5 bps. Issuer fee is included in Lender's underwritten expenses. Please confirm any ongoing Trustee or Rebate Monitor fees applicable to the transaction.

I. COVID-19 Provisional Requirements

CARES Act

Borrower must remain in compliance all laws, ordinances, rules, regulations, and requirements of any Governmental Authority having jurisdiction over the Property, including without limitation the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Deferred Property Inspections

Deferred Property Inspections and Deferred Property Replacements. In the event Lender is unable to conduct its required Property Inspections prior to closing, such inspections may be performed post-closing ("Deferred Property Inspections"). Upon receipt by Lender of the third party property inspection report ("Deferred Property Report"), Lender may determine that Deferred Property Replacements are necessary and may require a Deferred Replacement Deposit which shall be deposited by Borrower and if the existing Monthly Replacement Reserve Deposit is insufficient, such amount may be increased and any existing shortage replenished.

Guaranty

In addition to the exceptions to non-recourse obligations, Guarantor shall guaranty the deposit of any required Deferred Property Replacement Deposit and/or Replacement Reserve deficit and to pay any costs and expenses of any Deferred Property Inspections or Deferred Property Reports, when due.

Please complete the accompanying Exhibit A, execute it acknowledging your agreement to the terms of this Application, and return

the entire Application to me. Please retain a copy of this complete Application for your records. This Application includes and incorporates Exhibit A and Exhibit B.

Sincerely,

A handwritten signature in black ink that reads "J. Xavier Shackleford". The signature is written in a cursive style with a large, sweeping initial "J".

Justin Shackleford
Director

Attachments:

Exhibit A: Borrower Information and Key Contacts; Applicant's Acknowledgement and Certifications

Exhibit B: Wells Fargo Multifamily Capital Disclosure Notices

Wiring Instructions

Exhibit A

(Please duplicate, complete, and return for additional borrowers)

Part 1: Borrower Information and Key Contacts

Please be advised that U.S. Federal law requires that Lender obtain certain information about Borrower and its principals (USA Patriot Act Customer Identification Program (CIP)) and thus, in addition to completing this Exhibit A, during the processing of the Loan, you will be asked to complete a form for further information.

Exact Legal Name of Borrower _____

Borrower's Tax I.D. Number _____

Borrower's State of Legal Domicile _____

Contact Name _____ Mailing Address _____

Telephone _____

Fax _____

E-Mail _____

Please identify all direct or indirect general partners, managing members, or co-tenants regardless of ownership percentage, as well as any limited partners, members or stockholders owning or controlling 25% or more of the Borrower and/or its controlling entities (collectively, the "Principals"). Also, please include the contact information of all related parties detailed below or by an attached Organization Chart.

Name	Position/Title	Direct Ownership %	Ownership in Sub-Entity

Please provide the names and contact information for the following key contacts:

Contact	Sponsor	Key Principal/Guarantor 1	Key Principal/Guarantor 2
Contact Name			
Email Address			
Office Phone			
Cell Phone			
Fax			

Contact	Property / Site Contact	Legal Counsel	Management Company	Insurance
Contact Name				
Email Address				
Office Phone				
Cell Phone				

Fax				
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Part 2: Applicant’s Acknowledgement and Certifications

Any answer in the shaded area will require additional explanation

	Yes or True	No or False
(a) Authorization to obtain and release information. Applicant authorizes Wells Fargo to obtain information from and release information to those parties Wells Fargo deems necessary. Applicant authorizes Lender to issue press releases, advertise and otherwise publicize the financing.	<input type="checkbox"/>	<input type="checkbox"/>
(b) Truthfulness of information. All information and materials provided by Applicant or Applicant’s representatives was, is, or will be materially true, complete and accurate as of the date of submission. Until expiration of this Application or closing of the Loan, Applicant shall immediately notify Wells Fargo of any material change in the information or materials.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) No Bankruptcy or litigation. Applicant, Principals, or entities they control or controlled or of which they own or owned more than 25%, do not have and have not had: (i) bankruptcies within the previous ten years; (ii) pending or ongoing litigation or judgments that could materially and adversely affect their financial condition; or (iii) litigation at any time with Wachovia, Wells Fargo or Freddie Mac.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Domestic ownership. Applicant and its individual Principals are U.S. citizens and legal U.S. residents. Each corporation, partnership, limited liability company or association which holds or will hold an ownership interest in the Borrower are controlled only by individuals or entities that are U.S. citizens and with respect to corporations only, the majority of the stock and voting power is owned by U.S. citizens, its chairman or chief operating officer is a U.S. citizen and no more of its directors are non-citizens than a minority of the number necessary to constitute a quorum.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Neither felons nor blocked persons. Neither Applicant nor any of the Principals: (i) has ever been convicted of a felony; and (ii) has ever been identified or are presently identified on the U.S. Treasury’s Office of Foreign Assets Control’s list of specially designated nationals and blocked persons subject to financial sanctions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) Special Purpose entity. Borrower is or will be a bankruptcy remote special purpose entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) Dealings with other lenders. Within the past ninety days, Applicant has not had an application pending with any other lender for Freddie Mac financing of the Property. Applicant will not apply to another lender for Freddie Mac CME Loan financing of the Property during the term of this Application.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) Assignment. Applicant acknowledges that this Application and any Commitment or any rate lock agreement may not be assigned without the written consent of Wells Fargo. Any change in Borrower’s composition or ownership shall constitute an assignment.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) Improvements. The residential improvements located on the Property are not factory built, pre-fabricated, modular or of other similar construction. The Property: (i) is served by public electricity, water and sewer utilities; (ii) is used only for legal purposes; (iii) to the best of Applicant’s knowledge, conforms to health, fire and occupancy laws and regulations; and (iv) has no material defect or deficiency in its environmental or physical conditions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(j) No pending condemnation. No authority has threatened or commenced condemnation of the Property.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(k) Discretionary Repairs. Does Borrower intend to utilize any mortgage proceeds for repairs or improvements to the property, other than those repairs required by the Lender as immediate repairs or future use of funds required to be deposited into the replacement reserve as an initial deposit?	<input type="checkbox"/>	<input type="checkbox"/>
(l) Cares Act/Forbearance. Is Applicant, Principals or any entities which they control or which are affiliates, currently evaluating a loan for the Property or any other property, applying for or received forbearance due to property performance as a result of the economic impacts of COVID-19.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Applicant: Atlantis Preservation LP
 Signature: _____
 Name: John Tatum



Title: Authorized Signatory
Date: 2/5/21

Atlantis Preservation LP

Exhibit B

Disclosure Notices

This Application is for a Loan under Freddie Mac's Capital Markets Execution ("CME") Program. By acceptance of this Application, Borrower acknowledges that the Loan will be sold to Freddie Mac and that Freddie Mac intends to sell the Loan into a commercial mortgage backed securitization or similar capital markets execution. Final loan pricing and structure are expressly contingent on approval by Freddie Mac.

Equal Credit Opportunity Act – Notice

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract) or because all or part of the applicant's income is derived from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Wells Fargo Bank is the Bureau of Consumer Financial Protection (CFPB), 1700 G Street NW, Washington, DC 20552.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please write to Wells Fargo Bank, Attention: Compliance Officer, 1751 Pinnacle Drive, 7th floor, McLean, VA 22102, within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

Appraisal – Notice

Regulation B [12 CFR 202.5(a)]

In connection with an application for credit that is to be secured by real estate, you are entitled to receive a copy of the appraisal report used in connection with the application, provided you make your request for such copy in writing, submitted to the office where your loan request was submitted within 90 days of being provided notice of the action taken on the credit request or the application is withdrawn. The right to receive the report is conditioned upon your paying for all appraisal fees and all costs incurred in producing the report and all actual copying costs

Bank Secrecy Act/USA Patriot Act – Section 236

To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify, and record information that identifies each person (individual or business entity) who opens an account (including obtaining a loan).

What this means for you: When you open an account or add any additional service, we will ask you for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Applicant (if non-individual) shall provide Wells Fargo with their Tax Identification Number (TIN). If the TIN hasn't been issued, applicant will provide Wells Fargo with a copy of the TIN Application prior to loan closing. Applicant acknowledges that, if the TIN is not received by Wells Fargo within 6 weeks after loan closing, the loan may have to be paid off.

Privacy of Consumer Financial Information & Gramm Leach Bliley Act of 1999 (Regulation P)

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information.

For information regarding Wells Fargo's privacy and security policies, please see wellsfargo.com/privacy-security.

The Business Purpose Privacy Notice for Principals and Guarantors will be provided to Borrower and all principals when applicable.

Additional Notices that will be provided, if applicable

- California Hazard Insurance Requirements (California Civil Code 2955.5)
- Loans in Areas Having Special Flood Hazards (Flood Disaster Protection Act of 1973 et seq.; 12 CFR 22)

Legal Disputes

The parties hereto, on behalf of themselves and their respective principals, affiliates and assigns, hereby waive any right to a trial by jury with respect to any matters arising out of or in connection with this Application or the proposed loan.

Exhibit C

Wire Instructions

Bank: Wells Fargo Bank, N.A.

ABA: 121.000.248

Credit To: Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA
#412-1489116

Reference: Atlantis Apartments



Wells Fargo Community Lending and Investment

January 21, 2021

Mr. John Tatum
Fairstead
250 West 55th Street
New York, NY 10019

Re: Atlantis Apartments, Virginia Beach, VA

Dear Mr. Tatum:

Wells Fargo Community Lending and Investment is pleased to offer you the following Conditional Commitment letter based on information received to date. We appreciate the opportunity to work with you as a provider of tax credit equity and related debt products.

Investment Entity: Atlantis Preservation LP (the “Partnership”), with a single purpose bankruptcy remote General Partner with a 0.01% ownership interest, and Wells Fargo Bank (its affiliate or designee), as Investor Limited Partner (hereafter “Wells Fargo”) with a 99.99% ownership interest in the Partnership.

Project Name/Description: Atlantis Apartments, an existing affordable apartment complex containing 208 affordable units in Virginia Beach, VA (the “Project”). The unit mix consists of the following:

Type Of Unit	AMI %	Units	Pro Forma Rent
1 BR / 1 BA	60%	20	\$1,425
2 BR / 1 BA	60%	94	\$1,510
3 BR / 1.5 BA	60%	92	\$1,875
2 BR / 1 BA	60%	2	n/a
Total / Wtd. Avg.		208	\$1,649

All rental units will be affordable to households earning no more than 60% of the Area Median Income (AMI) and 206 of the units will benefit from a 20-year Project-Based Section 8 contract in place at closing. The Section 8 contract will specify the rents for the project. Post-Rehab rents will be in effect at closing as certified by HUD.

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Federal LIHTC Available: \$22,057,044 x 99.99% = \$22,054,839

Federal LIHTC Price: \$0.93

Total Capital Contribution: \$20,511,000

- A) Capital Contribution #1: \$4,102,200 (20.00%) – Available on a construction draw basis at Partnership Closing estimated to occur in May 2021.
- B) Capital Contribution #2: \$5,127,750 (25.00%) – Available on a construction draw basis upon the later of: (i) 25% construction completion and (ii) August 1, 2021.
- C) Capital Contribution #3: \$3,076,650 (15.00%) – Available on a construction draw basis upon the later of: (i) 50% construction completion and (ii) November 1, 2021.
- D) Capital Contribution #4: \$3,076,650 (15.00%) – Available on a construction draw basis upon the later of: (i) 75% construction completion and (ii) February 1, 2022.
- E) Capital Contribution #5: \$1,230,660 (6.00%) – Available at the latest of: temporary Certificates of Occupancy of any applicable units, lien free completion, architect’s certificate of completion, verification of Completion by Wells Fargo inspector, completion of any potential environmental remediation and receipt of any required governmental approvals (if applicable) and May 1, 2022.
- F) Capital Contribution #6: \$1,025,550 (5.00%) – Available at the latest of: General Partner’s draft cost certification and draft 50% test and July 1, 2022.
- G) Capital Contribution #7: \$2,051,100 (10.00%) – Available at the latest of: evidence of a 1.15x Debt Service Coverage Ratio (“DSCR”) and 95% Occupancy for 90 consecutive days (“Equity Stabilization”)¹, evidence of Income Qualification/Initial Tenant File Review for 100% of the LIHTC Units, final accountants’ cost certification, full funding of all financing sources and project reserves, receipt of final Certificates of Occupancy for all units, submission of form(s) 8609, and September 1, 2022.
- H) Capital Contribution #8: \$820,440 (4.00%) – Available at the latest of: receipt of form(s) 8609 and November 1, 2022.

¹ Equity Stabilization as to be defined in the Partnership Agreement means 1.15x Debt Service Coverage Ratio (“DSCR”) and 95% occupancy for 3 consecutive months (taken as a whole), and a projected 1.15x DSCR through year 15 of the compliance period, per criteria in Paragraph G) on page 7 of this conditional commitment. If the project does not satisfy Equity Stabilization, Equity Stabilization will nevertheless be deemed to have occurred if proceeds from Stabilization installment (and other funds, if necessary) equal to the NOI necessary to achieve 1.15x DSCR per criteria in Paragraph G) of this conditional



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commitment for 15 years are deposited into a Debt Service Reserve to be held by Wells Fargo. Release provisions for any funded Debt Service Reserve are addressed in the Limited Partnership Agreement.

Developer Fees: Developer Fees are estimated at \$4,500,000. Any deferred portion of the fee shall accrue interest at [X]% (or such other rate to be determined during due diligence) at time of closing, assuming that the interest and fees is payable in full by the end of year 15.

Incentive Management Fee: 90.00% of Cash Flow to the General Partner. Total Incentive Management Fee and Property Management Fees will be capped at 12% of Effective Gross Income.

Asset Management Fee: \$8,500 annually, increasing 3.00% annually, to Wells Fargo (per cash flow splits below). Fee will commence first year of credit delivery.

Cash Flow Split: Cash Flow shall be distributed as follows:

- A) To Investor Limited Partner in payment of any amounts due as a result of any unpaid Credit Adjuster Amount.
- B) To Investor Limited Partner in payment of Asset Management Fee or any unpaid Asset Management Fee.
- C) To payment of any Deferred Developer Fee.
- D) ~~To payment of any Operating Deficit Loans or Partner Loans.~~
- E) To payment of any Deferred Management Fee.
- F) Of the remaining balance, 10% shall be distributed to the Investor Limited Partner.
- G) To payment of Incentive Management Fee.
- H) Any remaining cash, 90% to the General Partner.

 To the General Partner for the payment of any Operating Deficit Loans or Partner

Residual Split: Any gain upon sale or refinancing shall be distributed as follows:

- A) To Investor Limited Partner in payment of any amounts due because the Actual Credit is less than the Project Credit, or there has been a recapture of Credit.
- B) To Investor Limited Partner for payment of any unpaid Asset Management Fees.
- C) ~~To payment of any Unpaid Operating Deficit Loans or Partner Loans.~~
- D) To the payment of any Deferred Developer Fees.
- E) Toward the payment of any Deferred Management Fee.
- F) 90% to the General Partner.
- G) 10% to the Investor Limited Partner.

 To the General Partner for the payment of any Operating Deficit Loans or Partner

Replacement Reserves: \$62,400 to be funded at completion. \$300 per unit per year, increasing 3.0% annually; amount subject to Wells Fargo and Permanent Lender final underwriting. Replacement Reserves are to be funded in an amount as required by HUD or the Permanent Lender. Any release from the Replacement reserve will be subject to Wells Fargo's reasonable consent.

Development Reserves: Operating Reserve – At the time of the Seventh Capital Contribution, the Partnership will fund an Operating Reserve in the approximate amount of \$1,633,936 (6 months of operating expenses, replacement reserves and debt service). The Operating Reserve will remain with the property for the duration of the Compliance Period, after which it will be released and distributed as Cash Flow. 3 months of Operating Reserve to be released after Year 5, if DSCR is above 1.25, and projected 1.25 DSCR through Year 15. This account




Wells Fargo Community Lending and Investment

will be held at Wells Fargo and withdrawals from the reserve are subject to Wells Fargo reasonable consent. The Operating Reserve may be drawn prior to funding under the Operating Deficit Guaranty.

Obligations of the General Partner and Guarantor(s):

Development Completion Guaranty: The General Partner will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Wells Fargo, including, without limitation, a guaranty (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements, (ii) of all amounts necessary to achieve permanent loan stabilization and establish the Debt Service Reserve, and (iii) to pay any operating deficits prior to the conclusion of Project construction.

The General Partner will provide copies of each draw request, change orders and all supporting documentation to Wells Fargo simultaneously with submissions to the lender. Wells Fargo shall have the right to approve change orders in excess of [\$250,000] for single instances or when the sum of change orders exceeds [\$500,000] ***change order thresholds will be determined during underwriting in coordination with Wells Fargo Multifamily Capital.*** The construction contract shall be a GMP contract and the general contractor shall be bonded in a manner satisfactory to Wells Fargo or a ^{10% Letter of Credit} letter of credit shall be provided in a minimum amount set during the due diligence review. 

Operating Deficit Guaranty: The General Partner agree to provide unlimited operating deficit loans to the Partnership until all conditions of the Stabilization Capital Contribution have been satisfied. Thereafter, the guaranty shall be limited to a minimum of six months of operating expenses, replacement reserves and debt service (currently \$1,650,000) and to be set prior to closing) for 60 months. At the end of the 60 month period, the guaranty shall be released provided the project operated at 1.15x DSC or better for the previous 12 months, the Operating Reserve is fully funded at \$1,633,936, and the Property has received a passing REAC score.

Tax Credit Adjusters: The Partnership Agreement will contain credit adjuster provisions designed to preserve the underlying economic transaction described in this conditional commitment. Capital contribution obligations of the Investor Limited Partner will be adjusted with respect to additional, reduced or recaptured credits.

LIHTC basis adjusters will be equal to the net credit price to the Partnership (\$0.93) times the difference between (i) the projected aggregate LIHTC's, less (ii) the adjusted aggregate LIHTC's. The Partnership Agreement will provide a similar calculation for any increases to aggregate LIHTC's.

Capital contribution obligations of the Investor Limited Partner will also be adjusted with respect to credits delivered early or late, calculated on a present value basis with a 4% discount rate, which equates to \$0.3244/LIHTC. The timing adjustment will be calculated after and adjusted for the LIHTC basis adjustment.

The aggregate increased basis in the Investor Limited Partner's capital contribution will be capped at 10% of Total Capital Contribution.

The general partner and guarantors will guarantee all credit adjuster payments. Any failure by the General Partner and/or Guarantors to fund operating deficits and/or credits adjusters beyond the limitations described above will constitute a removal right under the Partnership Agreement.

Wells Fargo Community Lending and Investment

There may be adjustment events occurring during the compliance period not considered or described in the aforementioned paragraphs. In the event that the actual amount of tax credits claimed by Wells Fargo, is less than the amount specified, then the General Partner shall reimburse Wells Fargo, on a dollar for dollar basis, for each lost dollar of tax credits plus any resulting penalties, taxes due, or tax consequences. Similarly, if there is a recapture of tax credits (except from the sale or transfer of Wells Fargo's interest in the Partnership), the General Partner shall indemnify Wells Fargo against any tax credit recapture liability incurred (including interest, penalties, tax effects, or and any reasonable related legal or accounting costs).

In addition, to the extent any Tax Credit Adjuster owed to Wells Fargo is solely attributable to a Change in Law then such portion of the credit adjuster distribution or credit adjuster payment shall only be payable to Wells Fargo from available Cash Flow or Net Proceeds.

Any failure by the General Partner and/or Guarantors to fund credits adjusters beyond the limitations described above will constitute a removal right under the Partnership Agreement.

Any change in the Investor Member's Capital Contribution due to a tax credit adjuster must be reflected in the Cost Certification or, if such increase is made after the Cost Certification is filed with the Agency, disclosed to the Agency in writing.

The obligations of the General Partner set forth in the Partnership Agreement, including but not limited to those described above, shall be guaranteed by the Guarantors, subject to Wells Fargo sponsorship analysis and underwriting and \$5,000,000 liquidity and \$10,000,000 net worth covenants through Stabilization. Thereafter, liquidity covenant will be reduced to \$3,000,000. Any underwritten commercial income will be structured under a master lease guaranteed by the Guarantors (if applicable).

Other Notes and Conditions:

Wells Fargo reserves the right to adjust the Capital Contributions herein based on diligence of the following information:

- A) The General Partner must have a firm commitment for fixed-rate permanent financing with terms, conditions and Lender acceptable to Wells Fargo. The amounts assumed for this Conditional Commitment are as follows:
1. Construction Loan – Not Applicable.
 2. 1st Mortgage / Permanent Loan – A Permanent Loan of approximately \$33,000,000 will be initially underwritten to an estimated interest rate of 3.59% amortized over a period of at least 40 years with a 17 year term and require a debt service coverage ratio for all must pay debt of at least 1.15x. Terms on the Permanent Financing must be acceptable to Wells Fargo (i.e. ability to resize at conversion, notice/cure rights, ability to transfer LP interest, no debt service coverage covenants, etc.). Equity Stabilization currently assumes that the property will be underwritten at a 5.0% vacancy rate with per unit per annum expenses of \$8,238 (inclusive of the \$300 puppy Replacement Reserve Funding, or as determined during the due diligence period based upon Wells Fargo's underwriting).



Wells Fargo Community Lending and Investment

- 3. NOI – Approximately \$773,800 is included as source to partially offset capitalized construction period interest, real estate taxes and insurance.

Please note that a reduction in the loan amounts, interest rates, benefits or losses, change in capital contribution schedule or any material change that increases the amounts of the deferred Developer Fee (i.e. Budget increases) could result in (i) lower credit pricing, (ii) a reduction of Developer Fees paid at closing or (iii) extended timing for the payment of capital contributions.

- B) Partnership Closing contingent upon receipt, review and approval of environmental reports including testing for lead based paint, radon testing (if applicable at completion and prior to occupancy of the units), asbestos and black mold as applicable, geological reports, geotechnical reports (including sinkhole insurance coverage), structural integrity reports, site inspection, appraisal and market study supporting lease-up schedule (~~underwritten achievable restricted rents must provide a minimum rental advantage relative to market rental rates of 20%~~), acceptable utility allowance schedule, for acquisition / rehabilitation Wells Fargo will require a Capital Needs Assessment along with a 15 year Replacement Reserve Analysis, personal and/or corporate financial statements, Real Estate Schedules and resumes on the General Partner, general contractor and guarantor(s), management company review, revised construction budgets/timelines, construction contract, GC Payment and Performance Bond or ~~15% Letter of Credit~~ ^{10% Letter of Credit}, development budget that exhibits 5% hard cost contingency for new construction or 10% hard cost contingency for acquisition / rehab (construction contingency must be funded/held outside the GC Contract and funded, if needed, with either debt and/or equity proceeds; subject to final plan/cost review), and a 15 year operating cash flow review (i.e. AMI and rent/expense trending; must maintain a 1.15x Operating Expense Coverage during the 15 year compliance period, etc.) and a satisfactory HUD REAC score.
- C) Prior to Partnership closing Wells Fargo will engage an inspecting engineer to review the project and plans and specs. Wells Fargo may accept the permanent lender’s inspecting engineer subject to approval. The cost of this service will be paid by the Partnership. If an acceptable appraisal is not required by the lender, the cost of an appraisal will also be paid by the Partnership. In addition, the costs of inspections on monthly draws will be the cost of the Partnership if not available from the construction or permanent lender. *All other costs of the Investor (including updated market study and legal expenses capped at the amount below) will be paid by Wells Fargo.*
- D) The Capital Contributions are based on a Projected Credit Allocation to Wells Fargo as follows:

Year	Federal LIHTC
2022 – 2031	\$2,205,484

- E) To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or corporation who opens an account and/or enters into a business relationship.
- F) If applicable, Wells Fargo will require a residual analysis that shows that any soft debt financing will be repaid at the end of the respective soft debt term. Wells Fargo will

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pay for this analysis.

- G) The Partnership Agreement will contain provisions requiring Investor approval to convert to permanent (if applicable) and/or approval of Equity Stabilization (Seventh Capital Contribution and respective Operating Deficit guaranty burn-offs) based on the following conditions:
- Subject to final underwriting, the size of the permanent debt, which requires periodic payments, may not be in excess of \$33,000,000.
 - Subject to final underwriting, annual operating expenses will be underwritten at the greater of (i) Actual annual operating expenses, or (ii) \$8,238 per unit per annum (“PUPA”), inclusive of replacement reserves of \$300 PUPA.
 - Subject to final underwriting, Other Income will be the lesser of \$5,000 per year or actual other income.
 - Subject to final underwriting, vacancy and collection loss to be the greater of actual or 5.0% vacancy rate for residential income.
 - Subject to final underwriting, income/expense trending of 2.0% /3.0%.
- H) Ownership and financial structure (including all set aside requirements that may be subject to any housing laws) is subject to review and approval by Wells Fargo’s underwriter and tax counsel.
- I) Wells Fargo requires that the property management company have a demonstrated history of positive performance and experience with multi-family and Low-Income Tax Credit properties. Wells Fargo reserves the right to approve the property management firm selected, and their property management agreement. The management agreement shall have an initial term of two years and shall be renewable annually thereafter. If the management agent is affiliated with the General Partner, the management agent shall provide for a deferral of up to ½ of the management fee in the event that the property does not generate positive cash flow. The management agent will be Fairstead Management LLC.
- J) The General Contractor will be TBD.
- K) The Accountants for the Partnership shall be CohnReznick LLP, Novogradac & Co., Dauby O’Connor & Zaleski, or another Public Company Accounting Oversight Board registered firm acceptable to Wells Fargo. The Accountants shall prepare tax and financial reports as set forth in the Partnership Agreement, including the final cost certification.
- L) For developments that have rental subsidy contracts (i.e. ACC, Section 8, state/local rental assistance, etc.) those contracts must be in place for the entire compliance period. State LIHTC documents (LURA and Loan Documents) will have best efforts language for any Set Aside Units or Required Services allowing the Partnership to rent to other LIHTC households if “targeted” tenants are not available, rental assistance funding is not available or if supportive services cannot be adequately funded.
- M) Pricing is subject to Full Partnership Closing occurring before or on May 1, 2021. If closing occurs after this time Wells Fargo reserves the right to reasonably adjust pricing and terms. If the General Partner/ Developer/Guarantor does not agree to the revised reasonable pricing/terms or is unable to close the transaction for any other

Wells Fargo Community Lending and Investment

reason, other than for an action or inaction on the part of Wells Fargo, the General Partner/Developer/Guarantor would be required to reimburse Wells Fargo for all reasonable third party costs incurred (see below).

- N) As noted above the capital contributions are date sensitive. Any changes in the dates, financing structure and corresponding lease up schedule may require an adjustment in pricing.
- O) The subject investment is within one of our required CRA assessment areas. Subject to the due diligence and underwriting processes outlined in this conditional commitment, a Wells Fargo affiliate intends to purchase the subject tax credits for its balance sheet. Pursuant to our standard documentary requirements, we reserve the right after closing to sell or transfer all or a portion of our interest to another party. Any such sale or transfer will comply with Freddie Mac, Fannie Mae or VHDA requirements, as applicable.
- P) At Wells Fargo's discretion, the equity investment and associated Partnership ownership interest described herein may be direct via a Wells Fargo affiliate, or via a fund sponsored by a third party syndicator investing on Wells Fargo's behalf. In the event that a fund execution is utilized, Wells Fargo will assume all associated investment fees charged by the fund sponsor.
- Q) All Partnership accounts can be held with Wells Fargo to the extent permitted by Freddie Mac, Fannie Mae or VHDA, as applicable.
- R) The parties hereto agree that the transaction described herein is anticipated to close on or before May 1, 2021 (the "Closing Date"). Wells Fargo will engage a third-party legal review of documentation associated with the transaction (the "Legal Review"), which review will not commence until at least 70% of the items on the Due Diligence Checklist are received and will not conclude until all noted items are received and approved. Wells Fargo has budgeted \$100,000 (the "Fixed Fee Amount") for expenses associated with the Legal Review. The Partnership/Guarantors will be responsible for \$50,000 of costs associated with the Legal Review, with Wells Fargo paying for all other Legal Review costs. The Partnership/Guarantors will be responsible for any costs exceeding the Fixed Fee Amount. If for any reason the transaction described herein has not closed by the Closing Date, Wells Fargo may, in its sole and absolute discretion, elect to extend the Closing Date. In the event that Wells Fargo extends the Closing Date, in addition to any other conditions or requirements that may be imposed at that time, Developer/Guarantor(s) agrees that it will pay any and all costs and expenses associated with the Legal Review in excess of the Fixed Fee Amount.
- S) The Investor Member will require Terrorism Insurance for this transaction.

***For Projects With
Non-Profit Partners:***

- ~~A) Wells Fargo assumes there will be a taxable subsidiary in order to preserve 30 year depreciation and avoid disqualified allocations.~~
- ~~B) Wells Fargo will permit the sale of the project consistent with the terms of the right of first refusal and option in accordance with Internal Revenue Code Section 42(i)(7).~~



Wells Fargo Community Lending and Investment

Process:

When Wells Fargo receives an executed copy of this proposal, a Due Diligence Period will begin. The Due Diligence Period will be the greater of (i) a period not to exceed 30 business days or (ii) a period of not more than 10 days after receipt of the last due diligence item (as tracked by Wells Fargo's Due Diligence Checklist), during which time Wells Fargo will conduct a Due Diligence review and negotiate with the General Partner, in good faith, the open terms, if any, of this proposal.

The Due Diligence review may include such matters as the verification of factual representations made by the General Partner; a review of the Project documents; site visit; an evaluation of the General Partner's financial capacity to perform under the terms and conditions of this proposal and the Partnership Agreement; the experience and expertise of the General Partner, Guarantor(s), Contractor and Management Agent; the project area market; the construction schedule; the residual potential of the property; and other relevant factors.

Prior to the termination of the Due Diligence Period, Wells Fargo will approve ("Approval"), approve with conditions, or reject the terms and structure of the proposed investment. Upon Approval, both parties will reaffirm their intent to enter into the Partnership Agreement upon the terms specified in this proposal.

If Wells Fargo reaffirms this proposal prior to the termination of the Due Diligence Period, but the General Partner has offered the Interest to another purchaser, the General Partner will be responsible for reimbursing Wells Fargo for all third-party costs incurred in conducting the Due Diligence Review, including, but not limited to, legal fees, a market study, an appraisal, a background investigation and site visits.



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Confidentiality: The recipient of this Conditional Commitment agrees to keep all terms of this Conditional Commitment confidential, and shall not disclose the terms of this Conditional Commitment to any third party other than their attorneys, accountants and tax advisors, who must in turn treat that disclosure as confidential. Notwithstanding the foregoing, nothing contained herein shall be deemed to limit in any way the disclosure of the tax treatment or tax structure of the transaction to third parties.

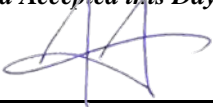
Expiration: This Conditional Commitment shall expire on February 26, 2021, unless accepted and/or re-affirmed by Wells Fargo.

Again, thank you for your time and we appreciate the opportunity to work with you.

Very truly yours,

Korbin F. Heiss
Senior Vice President
Wells Fargo Community Lending and Investment

Agreed and Accepted this Day:

By:  John Tatum Date: 02.02.21
Its: _____ Authorized Signatory

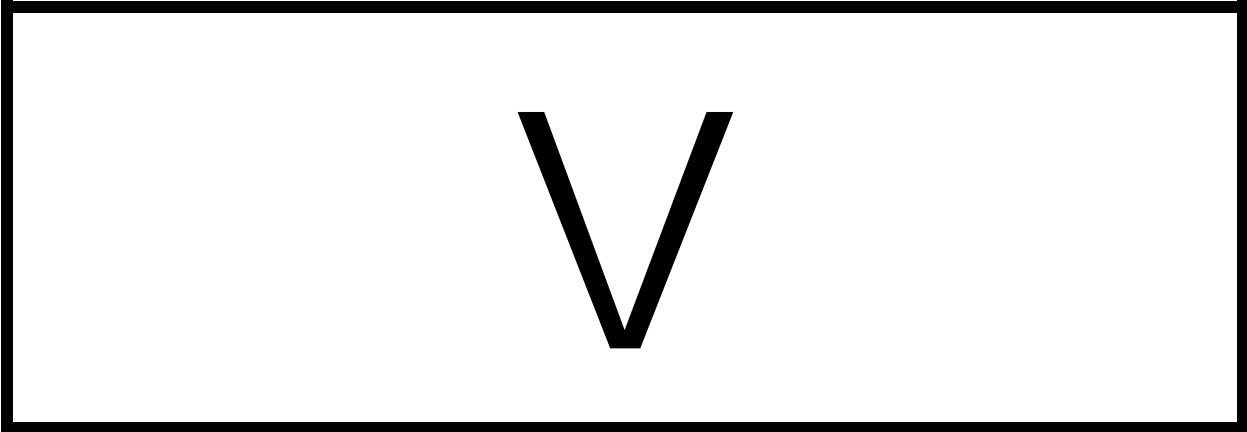
The purpose of this Conditional Commitment is to generally describe an investment Wells Fargo Bank is considering. These terms are subject to change upon the completion of the Bank's Due Diligence, and as may be required pursuant to the Bank's applicable investment criteria, credit policies, or underwriting standards as may be in effect from time to time, along with other factors relevant to making an investment decision. These terms may not be changed or otherwise modified orally. This Conditional Commitment does not survive Closing of the transaction.

This correspondence is not a commitment to invest, and no commitment to invest will exist prior to the negotiation and execution of a mutually satisfactory letter of intent and Partnership Agreement.

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

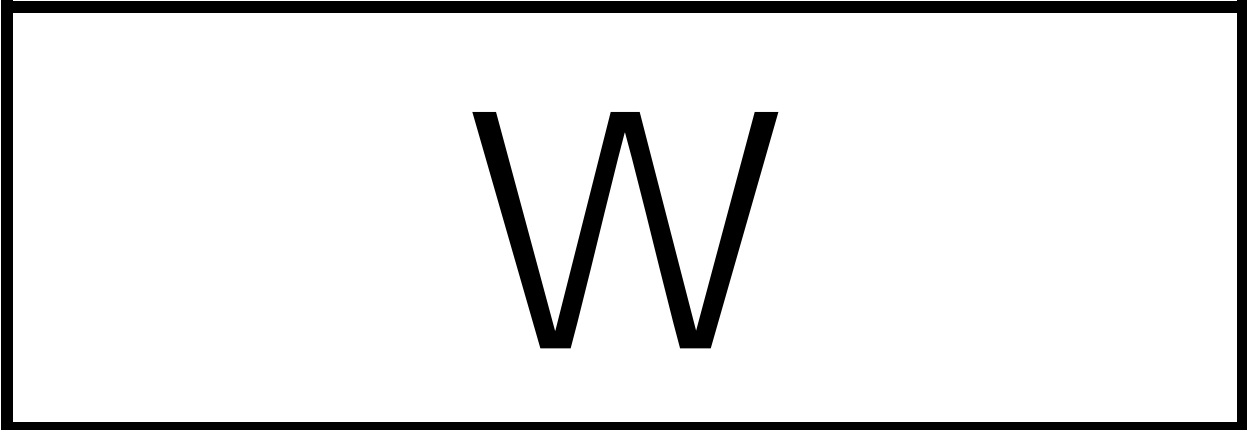
Not Applicable



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

Not Applicable



W

Internet Safety Plan and
Resident Information
Form



Resident Internet Policy Acknowledgment Form

I, (Resident's Full Name) , acknowledge that I have reviewed the Fairstead Management Wireless Access Policy ("Policy") and the Virginia Office of the Attorney General's Internet Safety Information Package. I agree to abide by the rules and procedures outlined in the Policy and in my lease agreement.

Resident Signature

Resident's Unit Number:

Date



Wireless Access Policy

Use of wireless devices and internet access are increasing as it provides a convenient mechanism for accessing resources. Along with this convenience is a need for management access, as the devices are natively less secure than a hardwired device. The following policy is being implemented to reduce risks related to wireless networks:

- Wireless networks shall be segmented between personnel, residents and guests.
- Wireless access points or routing devices are to be secured with lock access only accessible by the management agent.
- Logical and physical user access to wireless network devices shall be restricted to authorized personnel and residents only.
- The guest access point is to be used by all guests.
- All vendor default settings for wireless devices (e.g. passwords, wireless encryption keys) shall be changed prior to installing wireless equipment.
- Wireless security protocols shall be used that are of the highest encryption possible.
- Strong passwords shall be employed for all wireless SSID and changed on a periodic basis either through the protocol or across the enterprise
- User id will be issued to all users at that time of move in or hire date
- Passwords will expire every 90 days
- Passwords will need to include at least 1 uppercase letter, 1 lowercase letter, a number and special character.
- Passwords are not to be shared with guests, other residents or personnel.

The users of wireless access are responsible for protecting the information and/or devices:

- Devices should be equipped with firewalls and/or virus protection.
- Wireless networks transmitting sensitive information or connected to sensitive information environments recommend use of strong encryption for authentication and transmission.
- Inspections will be conducted semi-annually to assure wireless access points or routing devices are secure.

Residents, personnel or guests found in violation of policy may be subject to lease or employment termination.



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

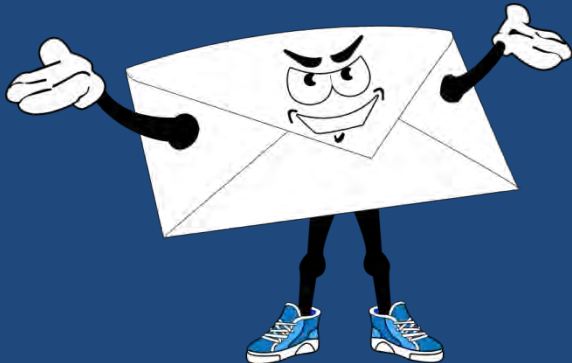
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



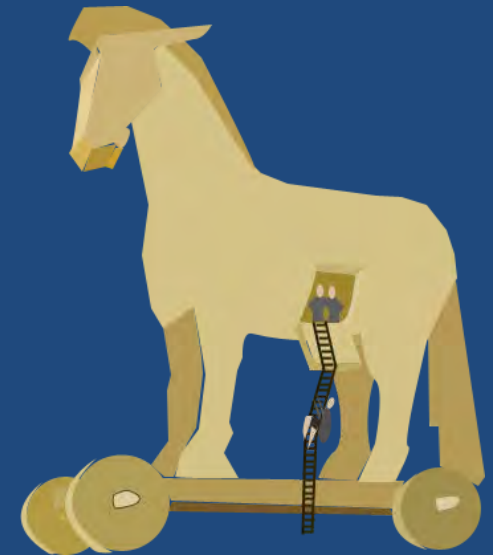
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

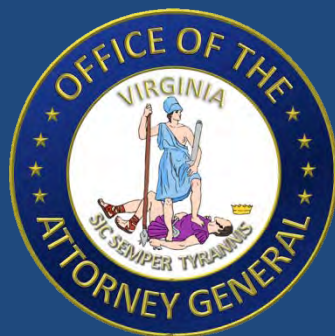
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).

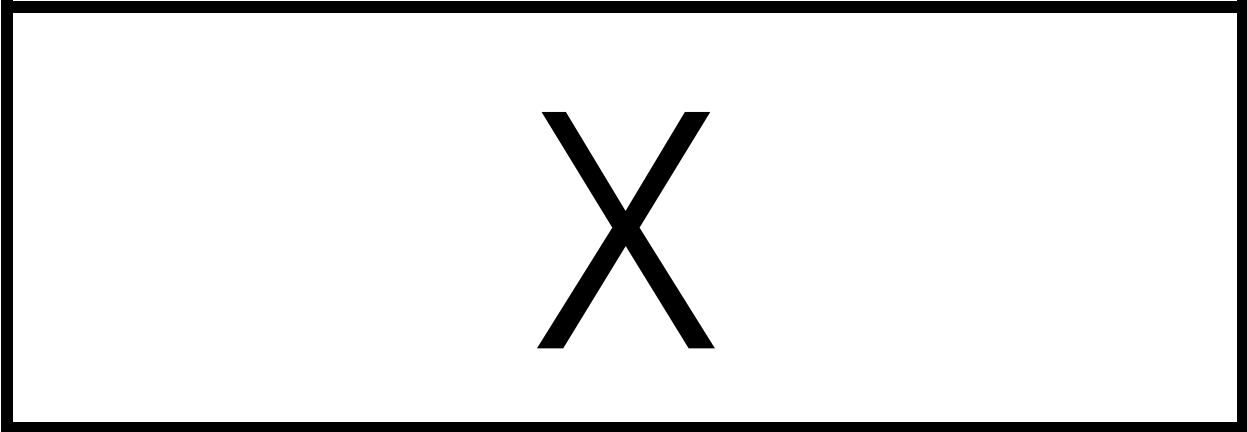


Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219

(804) 786-2071

www.ag.virginia.gov



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.1/31/2021)

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)

Shah Alam

12/16/2020

Name (type or print)

Shah Alam

Title & Name of Company

President - Fairstead Management

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 (<http://factfinder2.census.gov/main.html>) 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.




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**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.**

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)					

ACS DEMOGRAPHIC AND HOUSING ESTIMATES

TABLE ID: DP05
 SURVEY/PROGRAM: American Community Survey
 PRODUCT: ACS 5-Year Estimates Data Profiles

Note: The table shown may have been modified by user selections. Some information may be missing.

Census Tract 42, Norfolk city, Virginia				
Label	Estimate	Margin of Error	Percent	Percent of Error
SEX AND AGE				
Total population	1,914	±263	1,914	(X)
Male	828	±242	43.3%	±8.7
Female	1,086	±154	56.7%	±8.7
Sex ratio (males per 100 females)	76.2	±26.9	(X)	(X)
Under 5 years	196	±87	10.2%	±4.4
5 to 9 years	237	±66	12.4%	±3.6
10 to 14 years	277	±61	14.5%	±3.1
15 to 19 years	123	±62	6.4%	±3.3
20 to 24 years	105	±73	5.5%	±3.5
25 to 34 years	293	±79	15.3%	±3.9
35 to 44 years	189	±163	9.9%	±7.7
45 to 54 years	152	±60	7.9%	±3.1
55 to 59 years	57	±34	3.0%	±1.8
60 to 64 years	69	±73	3.6%	±3.7
65 to 74 years	120	±41	6.3%	±2.4
75 to 84 years	59	±39	3.1%	±2.0
85 years and over	37	±28	1.9%	±1.5
Median age (years)	25.7	±6.3	(X)	(X)
Under 18 years	807	±137	42.2%	±6.7
16 years and over	1,175	±230	61.4%	±6.2
18 years and over	1,107	±230	57.8%	±6.7

21 years and over	1,073	±231	56.1%	±6.7
62 years and over	263	±105	13.7%	±5.6
65 years and over	216	±65	11.3%	±3.8
18 years and over	1,107	±230	1,107	(X)
Male	515	±218	46.5%	±12.2
Female	592	±107	53.5%	±12.2
Sex ratio (males per 100 females)	87.0	±42.5	(X)	(X)
65 years and over	216	±65	216	(X)
Male	102	±46	47.2%	±17.5
Female	114	±55	52.8%	±17.5
Sex ratio (males per 100 females)	89.5	±70.8	(X)	(X)

RACE

Total population	1,914	±263	1,914	(X)
One race	1,914	±263	100.0%	±1.8
Two or more races	0	±12	0.0%	±1.8
One race	1,914	±263	100.0%	±1.8
White	159	±110	8.3%	±6.0
Black or African American	1,621	±212	84.7%	±9.6
American Indian and Alaska Native	0	±12	0.0%	±1.8
Cherokee tribal grouping	0	±12	0.0%	±1.8
Chippewa tribal grouping	0	±12	0.0%	±1.8
Navajo tribal grouping	0	±12	0.0%	±1.8
Sioux tribal grouping	0	±12	0.0%	±1.8
Asian	0	±12	0.0%	±1.8
Asian Indian	0	±12	0.0%	±1.8
Chinese	0	±12	0.0%	±1.8
Filipino	0	±12	0.0%	±1.8
Japanese	0	±12	0.0%	±1.8
Korean	0	±12	0.0%	±1.8
Vietnamese	0	±12	0.0%	±1.8
Other Asian	0	±12	0.0%	±1.8
Native Hawaiian and Other Pacific Islander	0	±12	0.0%	±1.8
Native Hawaiian	0	±12	0.0%	±1.8
Guamanian or Chamorro	0	±12	0.0%	±1.8
Samoan	0	±12	0.0%	±1.8
Other Pacific Islander	0	±12	0.0%	±1.8
Some other race	134	±211	7.0%	±10.5

Two or more races	0	±12	0.0%	±1.8
White and Black or African American	0	±12	0.0%	±1.8
White and American Indian and Alaska Native	0	±12	0.0%	±1.8
White and Asian	0	±12	0.0%	±1.8
Black or African American and American Indian and Alaska Native	0	±12	0.0%	±1.8
Race alone or in combination with one or more other races				
Total population	1,914	±263	1,914	(X)
White	159	±110	8.3%	±6.0
Black or African American	1,621	±212	84.7%	±9.6
American Indian and Alaska Native	0	±12	0.0%	±1.8
Asian	0	±12	0.0%	±1.8
Native Hawaiian and Other Pacific Islander	0	±12	0.0%	±1.8
Some other race	134	±211	7.0%	±10.5
HISPANIC OR LATINO AND RACE				
Total population	1,914	±263	1,914	(X)
Hispanic or Latino (of any race)	152	±211	7.9%	±10.4
Mexican	18	±25	0.9%	±1.3
Puerto Rican	0	±12	0.0%	±1.8
Cuban	0	±12	0.0%	±1.8
Other Hispanic or Latino	134	±211	7.0%	±10.5
Not Hispanic or Latino	1,762	±200	92.1%	±10.4
White alone	141	±102	7.4%	±5.6
Black or African American alone	1,621	±212	84.7%	±9.6
American Indian and Alaska Native alone	0	±12	0.0%	±1.8
Asian alone	0	±12	0.0%	±1.8
Native Hawaiian and Other Pacific Islander alone	0	±12	0.0%	±1.8
Some other race alone	0	±12	0.0%	±1.8
Two or more races	0	±12	0.0%	±1.8
Two races including Some other race	0	±12	0.0%	±1.8
Two races excluding Some other race, and Some other race	0	±12	0.0%	±1.8
Total housing units	669	±38	(X)	(X)
CITIZEN, VOTING AGE POPULATION				
Citizen, 18 and over population	965	±157	965	(X)
Male	381	±135	39.5%	±10.4
Female	584	±108	60.5%	±10.4

DATA NOTES

TABLE ID	DP05
SURVEY/PROGRAM	American Community Survey
VINTAGE	2019
DATASET	ACSDP5Y2019
PRODUCT:	ACS 5-Year Estimates Data Profiles
FTP URL:	None

Download the entire table at
<https://api.census.gov/data/2019/acs/acs5/profile>

API URL:

USER SELECTIONS

GEOS Census Tract 42, Norfolk city, Virginia

EXCLUDED COLUMNS

None

APPLIED FILTERS

None

APPLIED SORTING

None

WEB ADDRESS

<https://data.census.gov/cedsci/table?q=ACSDP1Y2019.DP05&g=1400000US51710004200&tid=ACSDP5Y2019.DP05&hidePreview=true>

TABLE NOTES:

and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section. Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010, issued March 2011. (pdf format)

The 2015-2019 American Community Survey (ACS) data generally reflect the September 2018 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances, the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineation lists due to differences in the effective dates of the geographic entities.

boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:An "***" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.An "-" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution, or the margin of error associated with a median was larger than the median itself.An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.An "****" entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate. An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.An "(X)" means that the estimate is not applicable

COLUMN NOTES

None

ACS DEMOGRAPHIC AND HOUSING ESTIMATES

TABLE ID: DP05
 SURVEY/PROGRAM: American Community Survey
 PRODUCT: ACS 1-Year Estimates Data Profiles

Note: The table shown may have been modified by user selections. Some information may be missing.

Virginia Beach, VA Urbanized Area (2000)				
Label	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	1,450,874	±7,848	1,450,874	(X)
Male	709,908	±5,637	48.9%	±0.2
Female	740,966	±4,979	51.1%	±0.2
Under 5 years	97,801	±2,081	6.7%	±0.1
5 to 9 years	89,759	±3,441	6.2%	±0.2
10 to 14 years	92,715	±4,103	6.4%	±0.3
15 to 19 years	102,029	±2,596	7.0%	±0.2
20 to 24 years	137,263	±2,571	9.5%	±0.2
25 to 34 years	219,071	±2,789	15.1%	±0.2
35 to 44 years	177,279	±3,033	12.2%	±0.2
45 to 54 years	206,971	±2,586	14.3%	±0.2
55 to 59 years	86,249	±4,032	5.9%	±0.3
60 to 64 years	76,140	±3,593	5.2%	±0.2
65 to 74 years	91,185	±2,200	6.3%	±0.1
75 to 84 years	53,925	±2,455	3.7%	±0.2
85 years and over	20,487	±2,023	1.4%	±0.1
Median age (years)	34.2	±0.3	(X)	(X)
18 years and over	1,113,524	±5,690	76.7%	±0.2
21 years and over	1,039,432	±5,886	71.6%	±0.3
62 years and over	210,495	±4,055	14.5%	±0.3
65 years and over	165,597	±2,560	11.4%	±0.2
18 years and over Male	1,113,524	±5,690	1,113,524	(X)
	536,897	±4,066	48.2%	±0.2

Female	576,627	±3,474	51.8%	±0.2
65 years and over	165,597	±2,560	165,597	(X)
Male	70,257	±1,423	42.4%	±0.6
Female	95,340	±1,752	57.6%	±0.6
RACE				
Total population	1,450,874	±7,848	1,450,874	(X)
One race	1,399,611	±9,697	96.5%	±0.3
Two or more races	51,263	±4,318	3.5%	±0.3
One race	1,399,611	±9,697	96.5%	±0.3
White	845,421	±8,375	58.3%	±0.4
Black or African American	469,496	±6,639	32.4%	±0.4
American Indian and Alaska Native	4,135	±962	0.3%	±0.1
Cherokee tribal grouping	N	N	N	N
Chippewa tribal grouping	N	N	N	N
Navajo tribal grouping	N	N	N	N
Sioux tribal grouping	N	N	N	N
Asian	59,010	±2,388	4.1%	±0.2
Asian Indian	5,689	±2,102	0.4%	±0.1
Chinese	5,633	±1,423	0.4%	±0.1
Filipino	28,724	±3,190	2.0%	±0.2
Japanese	1,646	±627	0.1%	±0.1
Korean	7,330	±2,282	0.5%	±0.2
Vietnamese	5,695	±2,141	0.4%	±0.1
Other Asian	4,293	±1,376	0.3%	±0.1
Native Hawaiian and Other Pacific Islander	1,523	±778	0.1%	±0.1
Native Hawaiian	N	N	N	N
Guamanian or Chamorro	N	N	N	N
Samoan	N	N	N	N
Other Pacific Islander	N	N	N	N
Some other race	20,026	±3,663	1.4%	±0.3
Two or more races	51,263	±4,318	3.5%	±0.3
White and Black or African American	14,751	±2,727	1.0%	±0.2
White and American Indian and Alaska Nat	5,829	±829	0.4%	±0.1
White and Asian	12,066	±2,004	0.8%	±0.1
Black or African American and American In	4,267	±1,702	0.3%	±0.1
Race alone or in combination with one or mo				
Total population	1,450,874	±7,848	1,450,874	(X)

White	885,169	±8,276	61.0%	±0.4
Black or African American	497,620	±5,680	34.3%	±0.4
American Indian and Alaska Native	17,899	±2,531	1.2%	±0.2
Asian	77,854	±2,754	5.4%	±0.2
Native Hawaiian and Other Pacific Islander	4,384	±1,498	0.3%	±0.1
Some other race	24,826	±3,851	1.7%	±0.3
HISPANIC OR LATINO AND RACE				
Total population	1,450,874	±7,848	1,450,874	(X)
Hispanic or Latino (of any race)	91,485	±1,312	6.3%	±0.1
Mexican	29,440	±4,245	2.0%	±0.3
Puerto Rican	26,530	±3,353	1.8%	±0.2
Cuban	1,999	±986	0.1%	±0.1
Other Hispanic or Latino	33,516	±3,995	2.3%	±0.3
Not Hispanic or Latino	1,359,389	±7,469	93.7%	±0.1
White alone	792,639	±6,594	54.6%	±0.3
Black or African American alone	458,327	±5,553	31.6%	±0.4
American Indian and Alaska Native alone	2,684	±734	0.2%	±0.1
Asian alone	57,481	±2,250	4.0%	±0.2
Native Hawaiian and Other Pacific Islander	1,523	±778	0.1%	±0.1
Some other race alone	3,211	±1,127	0.2%	±0.1
Two or more races	43,524	±4,401	3.0%	±0.3
Two races including Some other race	891	±809	0.1%	±0.1
Two races excluding Some other race, ar	42,633	±4,476	2.9%	±0.3
Total housing units	590,484	±3,414	(X)	(X)

DATA NOTES

TABLE ID	DP05
SURVEY/PROGRAM	American Community Survey
VINTAGE	2011
DATASET	None
PRODUCT:	ACS 1-Year Estimates Data Profiles
FTP URL:	None
API URL:	Download the entire table at https://api.census.gov/data/2011/acs/acs1/profile

USER SELECTIONS

GEOS

Virginia Beach, VA Urbanized Area (2000)

EXCLUDED COLUMNS

None

APPLIED FILTERS

None

APPLIED SORTING

None

WEB ADDRESS

<https://data.census.gov/cedsci/table?q=ACSDP1Y2019.DP05&g=400C000US90892&tid=ACSDP1Y2011.DP05&hidePreview=true>

TABLE NOTES:

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Explanation of Symbols: An "***" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.

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An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.

An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.

An "****" entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2000 data. Boundaries for urban areas have not been updated since Census 2000. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

While the 2011 American Community Survey (ACS) data generally reflect the December 2009 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010, issued March 2011. (pdf format)

The ACS questions on Hispanic origin and race were revised in 2008 to make them consistent with the Census 2010 question wording. Any changes in estimates for 2008 and beyond may be due to demographic changes, as well as factors including questionnaire changes, differences in ACS population controls, and methodological differences in the population estimates, and therefore should be used with caution. For a summary of questionnaire changes see

http://www.census.gov/acs/www/methodology/questionnaire_changes/. For more information about changes in the estimates see

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Source: U.S. Census Bureau, 2011 American Community Survey

COLUMN NOTES

None

ACS DEMOGRAPHIC AND HOUSING ESTIMATES

TABLE ID: DP05
 SURVEY/PROGRAM: American Community Survey
 PRODUCT: ACS 1-Year Estimates Data Profiles

Note: The table shown may have been modified by user selections. Some information n

	Norfolk city, Virginia			
Label	Estimate	Margin of Error	Percent	Percent Margin of Error
SEX AND AGE				
Total population	242,742	*****	242,742	(X)
Male	126,801	±761	52.2%	±0.3
Female	115,941	±761	47.8%	±0.3
Sex ratio (males per 100 females)	109.4	±1.4	(X)	(X)
Under 5 years	15,354	±251	6.3%	±0.1
5 to 9 years	13,068	±1,367	5.4%	±0.6
10 to 14 years	12,388	±1,441	5.1%	±0.6
15 to 19 years	17,416	±1,300	7.2%	±0.5
20 to 24 years	32,351	±1,096	13.3%	±0.5
25 to 34 years	45,947	±886	18.9%	±0.4
35 to 44 years	28,126	±1,064	11.6%	±0.4
45 to 54 years	23,199	±1,032	9.6%	±0.4
55 to 59 years	12,857	±1,215	5.3%	±0.5
60 to 64 years	13,782	±1,214	5.7%	±0.5
65 to 74 years	17,246	±513	7.1%	±0.2
75 to 84 years	7,503	±702	3.1%	±0.3
85 years and over	3,505	±730	1.4%	±0.3
Median age (years)	31.1	±0.3	(X)	(X)
Under 18 years	46,858	±189	19.3%	±0.1
16 years and over	199,438	±739	82.2%	±0.3
18 years and over	195,884	±189	80.7%	±0.1
21 years and over	176,900	±1,692	72.9%	±0.7
62 years and over	36,192	±1,329	14.9%	±0.5

65 years and over	28,254	±550	11.6%	±0.2
18 years and over	195,884	±189	195,884	(X)
Male	102,968	±415	52.6%	±0.2
Female	92,916	±338	47.4%	±0.2
Sex ratio (males per 100 females)	110.8	±0.8	(X)	(X)
65 years and over	28,254	±550	28,254	(X)
Male	12,070	±472	42.7%	±1.1
Female	16,184	±296	57.3%	±1.1
Sex ratio (males per 100 females)	74.6	±3.3	(X)	(X)

RACE

Total population	242,742	*****	242,742	(X)
One race	231,585	±2,032	95.4%	±0.8
Two or more races	11,157	±2,032	4.6%	±0.8
One race	231,585	±2,032	95.4%	±0.8
White	114,295	±2,060	47.1%	±0.8
Black or African American	100,025	±1,841	41.2%	±0.8
American Indian and Alaska Native	816	±422	0.3%	±0.2
Cherokee tribal grouping	N	N	N	N
Chippewa tribal grouping	N	N	N	N
Navajo tribal grouping	N	N	N	N
Sioux tribal grouping	N	N	N	N
Asian	8,913	±785	3.7%	±0.3
Asian Indian	2,031	±1,122	0.8%	±0.5
Chinese	800	±647	0.3%	±0.3
Filipino	4,567	±944	1.9%	±0.4
Japanese	149	±195	0.1%	±0.1
Korean	372	±336	0.2%	±0.1
Vietnamese	313	±265	0.1%	±0.1
Other Asian	681	±519	0.3%	±0.2
Native Hawaiian and Other Pacific Islander	45	±75	0.0%	±0.1
Native Hawaiian	N	N	N	N
Guamanian or Chamorro	N	N	N	N
Samoan	N	N	N	N
Other Pacific Islander	N	N	N	N
Some other race	7,491	±1,915	3.1%	±0.8
Two or more races	11,157	±2,032	4.6%	±0.8
White and Black or African American	4,209	±1,378	1.7%	±0.6

White and American Indian and Alaska Nativ	992	±426	0.4%	±0.2
White and Asian	2,312	±699	1.0%	±0.3
Black or African American and American Indi	757	±558	0.3%	±0.2
Race alone or in combination with one or more oth				
Total population	242,742	*****	242,742	(X)
White	123,082	±2,592	50.7%	±1.1
Black or African American	106,814	±1,123	44.0%	±0.5
American Indian and Alaska Native	3,192	±712	1.3%	±0.3
Asian	12,599	±608	5.2%	±0.3
Native Hawaiian and Other Pacific Islander	620	±347	0.3%	±0.1
Some other race	8,622	±1,881	3.6%	±0.8
HISPANIC OR LATINO AND RACE				
Total population	242,742	*****	242,742	(X)
Hispanic or Latino (of any race)	20,535	*****	8.5%	*****
Mexican	6,318	±1,571	2.6%	±0.6
Puerto Rican	2,944	±1,239	1.2%	±0.5
Cuban	714	±514	0.3%	±0.2
Other Hispanic or Latino	10,559	±1,985	4.3%	±0.8
Not Hispanic or Latino	222,207	*****	91.5%	*****
White alone	105,021	±135	43.3%	±0.1
Black or African American alone	97,719	±1,601	40.3%	±0.7
American Indian and Alaska Native alone	798	±415	0.3%	±0.2
Asian alone	8,575	±766	3.5%	±0.3
Native Hawaiian and Other Pacific Islander a	45	±75	0.0%	±0.1
Some other race alone	196	±156	0.1%	±0.1
Two or more races	9,853	±1,814	4.1%	±0.7
Two races including Some other race	224	±242	0.1%	±0.1
Two races excluding Some other race, and	9,629	±1,808	4.0%	±0.7
Total housing units	98,476	±1,379	(X)	(X)
CITIZEN, VOTING AGE POPULATION				
Citizen, 18 and over population	188,326	±1,584	188,326	(X)
Male	98,840	±1,217	52.5%	±0.4
Female	89,486	±1,002	47.5%	±0.4

DATA NOTES

TABLE ID

DP05

SURVEY/PROGRAM

American Community Survey

VINTAGE 2019
DATASET ACSDP1Y2019
PRODUCT: ACS 1-Year Estimates Data Profiles
FTP URL: None
Download the entire table at
<https://api.census.gov/data/2019/acs/acs1/profile>
API URL:

USER SELECTIONS

GEOS Norfolk city, Virginia

EXCLUDED COLUMNS

None

APPLIED FILTERS

None

APPLIED SORTING

None

WEB ADDRESS

<https://data.census.gov/cedsci/table?q=ACSDP1Y2019.DP05&g=0500000US51710&tid=ACSDP1Y2019.DP05&hidePreview=true>

TABLE NOTES:

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Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates

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For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, *Overview of Race and Hispanic Origin: 2010*, issued March 2011. (pdf format)

The 2019 American Community Survey (ACS) data generally reflect the September 2018 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineations due to differences in the effective dates of the geographic entities.

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COLUMN NOTES

None



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is Illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

In the sale or rental of housing or
residential lots

In the provision of real estate
brokerage services

In advertising the sale or rental
of housing

In the appraisal of housing

In the financing of housing

Blockbusting is also illegal

Anyone who feels he or she has been
discriminated against may file a complaint of
housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

www.hud.gov/fairhousing

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**



**EQUAL HOUSING
OPPORTUNITY**
**IGUALDAD DE OPORTUNIDADES
EN LA VIVIENDA**

**Nuestras prácticas de negocios cumplen la ley federal
de equidad en la vivienda**

(Enmienda a la ley de Equidad en la vivienda de 1988)

**Es ilegal discriminar contra ninguna persona a
causa de su raza, color, religión, sexo,
discapacidad, situación familiar u origen nacional**

- En la venta o el alquiler de viviendas o lotes residenciales
- En la publicidad relacionada con la venta o el alquiler de viviendas
- En la financiación de la vivienda
- En la provisión de servicios de corredores de bienes raíces
- En la tasación de viviendas
- Las tácticas de intimidación (Blockbusting) también son ilegales

Cualquier persona que crea que ha sido discriminada puede presentar una reclamación de discriminación en la vivienda:

1-800-669-9777 (Línea gratuita)

1-800-927-9275 (TTY)

www.hud.gov/fairhousing

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**

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.

//FAIRSTEAD

April 1, 2020

National Leadership Counsel on African American Behavioral Health, Inc
615 Wellington Way, Jonesboro, GA 30238

To Whom It May Concern:

SAMPLE

We are pleased to have the opportunity to offer you some information about our property, Keystone Apartments. The community offers apartments for income eligible applicants and their families of all ages. These units are federally assisted with families paying thirty percent of adjusted gross income for rent while the also qualifying for the Low Income Housing Tax Credit Program.

Keystone Apartments is located at 145 S. McDonough Street, Jonesboro, GA. There are 184 one, two, and three-bedroom apartment homes on the property. Rent includes all utilities (heat, hot water and air conditioning); no hidden fees. Kitchens are nicely appointed with stove, refrigerator, microwave, and dishwasher. Additional amenities include a playground and outdoor seating/picnic area, central laundry onsite, and parking. We also provide professional on-site management and maintenance.

Please ask any clients you have in need of affordable housing to contact the property manager either by telephone at 770-471-0891 or to stop by our community for an application, eligibility criteria and availability information. Enclosed is an information sheet for our community. Thank you in advance for your continued support of Keystone Apartments.

Sincerely,

Property Manager

Enclosure



We do not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, our federally assisted programs and activities. If you are disabled and would like to request an accommodation or if you have difficulty understanding English, please request our assistance and we will ensure that you are provided with meaningful access based on your individual needs.

Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants based on one or more of the following classifications: race, color, national origin, sexual orientation, gender identification, disability, religion, and familial status.



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			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

Attachment to Worksheet 4: Proposed Marketing Activities – Methods of Advertising

The property will maintain records of the ongoing marketing performed at the site to include letters and materials sent to community contacts, advertisements, open houses, and any other marketing efforts performed in the effort to attract eligible applicants to the property. When necessary, management will utilize marketing sources or materials in alternative formats and/or languages to attract those applicants with Limited English Proficiency (LEP) or disabilities within the community. If necessary, Fairstead Management will arrange for language interpreters or other communications aides for interviews during the application process, etc.

In order to avoid the appearances of being discriminatory, management will utilize the following strategies when creating marketing materials or advertising to attract potential residents:

1. Advertising language should be *inclusive* rather than *exclusive*. Management will avoid such language that gives the impression that portrays the property as being preferred or exclusive to one group or another. Some examples of exclusive language are:
 - a. *For the active Lifestyle* – the properties intent may be to high light their fitness amenities, when in reality it might be perceived very differently by persons with disabilities.
 - b. *Ideal for seniors* – raises concerns that the property is not interested in renting to families with children. An exception would be a property that is permitted to operate specifically on behalf of housing for seniors.
 - c. *Quiet, peaceful, restful community* – might also give the impression that the property is not interested or discouraging applicants that would include families with children from applying.
 - d. *Asian neighborhood* – this might give the impression that the property is specifically for Asians giving the appearance of exclusion to all others.

2. Avoid the use of “red flag” words such as:
 - a. Race specific references (i.e. black, Afro-American, white, Hispanic, Asian, etc.);
 - b. Color specific references (i.e. black or white);
 - c. Specific references to national origin such as Mexican American or Russian;
 - d. Specific references to religion;
 - e. Indicators of gender are not permitted;
 - f. Management may describe the features of the apartments, but will avoid referring to who would benefit from them;
 - g. References to resident *characteristics* such as adults, retired, singles or couples are not permitted as they may discourage families from applying.

3. Advertising will include proper use of the Equal Housing Opportunity logo, slogan or statement in accordance with fair housing requirements.
 - a. The EHO Slogan reads: “Equal Housing Opportunity” or “EHO” depending on available space.
 - b. The EHO Logo shows the graphic Fair Housing symbol:
 - c. The EHO Statement reads:



“We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, creed, religion, national or ethnic origin, citizenship, ancestry, class, sex, sexual orientation, gender identity or marital status, familial status, disability, military/veteran status, source of income, age or other basis prohibited by local, state or federal law.”

Large ads, brochures and signs will use either the Statement or Logo. Smaller ads will include the use of the Slogan when there are size constraints. The Logo should be proportionally sized based on the advertising. When utilizing the Logo, Management will use the size standards set by HUD as follows:

Size of Ad	Size of Logo
½ page or larger	2” by 2”
1/8 page to ½ page	1” by 1”
4 column inches to 1/8 page	½” by ½”
Less than 4 column inches	Slogan not logo

4. Management will avoid use of *pictured human models* in advertising materials.
5. The Fair Housing Poster will be displayed in a visible location in the Rental Office.

Affirmative Fair Housing Practices
On-Site Management Agreement of Receipt and Acknowledgement

I acknowledge receipt of and having read the Fair Housing Equal Opportunity for All Booklet provided by Fairstead Management at Atlantis Apartments on _____.

I agree to abide by and ensure that all fair housing laws are observed by those who participate in the management and operation of Atlantis Apartments.

I acknowledge that non-compliance with affirmative marketing provisions will subject myself and Fairstead Management to sanctions authorized by law.

Office/Maintenance Staff

Date

Property Manager/Senior Manager

Date

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Fairstead Management Grievance and Appeals Policy

This Grievance and Appeals Policy is made available to applicants or residents.

Resident Grievance Process

Residents are entitled to an informal hearing or conference regarding any adverse actions taken by the Management Company or owner against their household or any member of the household.

If, after discussions with the site Property Manager and/or management staff, a resident is unable to resolve a difference, the Property has provided a means for residents to meet with and be heard by an alternative representative of management and an owner's representative.

Residents are also entitled to use this process to discuss any issue concerning the owner's obligations under the lease which the resident feels are not being met.

Reasons for a grievance may include:

- Failure to maintain the premises in such a manner that provides decent, safe and sanitary housing in accordance with State and local laws and ordinances
- Violation of lease covenants and rules
- Modification of Lease
- Rule changes
- Rent changes
- Denial of a Request for a Reasonable Accommodation
- Any other matter pertaining to the landlord/tenant relationship

Race, color, creed, religion, sex, national origin, age, familial status, or disability status will have no bearing on a review of resident issues regarding the adverse action.

The purpose of the procedure is to provide the resident with a forum in which to present any mitigating information and to inform the resident in full of the basis for the adverse action. If the resident has requested the meeting, it is an opportunity to present any legitimate complaints concerning owner obligations under the lease.

This informal hearing or conference is an opportunity for both parties to present the reasons for their actions. It is intended to provide a mechanism for mediation of differences and the avoidance of litigation. It is not designed to provide the resident with all due process or substantive rights available under law. Residents are not precluded by this conference from asserting any legal right concerning their tenancy through the filing of a fair housing complaint or through a court of law.

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Applicant Appeal Process

Applicants shall be entitled to a conference in order to provide an appeal right for a person whose application for admission been rejected, as well as for a person who has been denied an application, except in those cases where applications are not being processed, or for individuals to explain mitigating circumstances in regard to tenant history. This appeal right does not apply to those persons who are clearly not eligible for occupancy under the Resident Selection Plan.

Applicants who have been refused housing based on the Resident Selection Plan rejection criteria will be notified via first class or certified mail as to the reason for the rejection and a copy of the Grievance and Appeal procedure will be attached. The notice will advise the applicant of the right to request an appeal of that decision, in writing, within five (5) days of the receipt of the original rejection notice. Appeal requests must be mailed or delivered to:

Address: **Fairstead Management LLC**
 226 West 150th Street, Lower Level
 New York, NY 10039

Race, color, creed, religion, sex, national origin, age, familial status, or disability status will have no bearing on a review of applicant issues regarding the adverse action.

Within 15 days of receipt of the written appeal request, a meeting will be scheduled between the applicant and a Management Representative.

This meeting will be held at a mutually convenient time and date within fifteen (15) days of receipt of the written appeal request.

Applicants may present any information that has any bearing on the reason for the original rejection. A final written decision will be sent to the applicant within five (5) days of the meeting.

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PROCEDURES FOR CONDUCTING RESIDENT GRIEVANCE HEARINGS

- 1) **REQUEST FOR A HEARING:** Within ten (10) days after receipt of a notice of adverse action or event for which the resident believes that he/she incurred harm or inconvenience by reason of management's failure to act resident must request a hearing (See Exhibit A – Grievance Procedure Complaint Form). The request must indicate specifically (1) the reasons for your grievance or challenge of our proposed action, and (2) the action or relief you seek. All requests for a hearing must be mailed or submitted in person to the site office.
- 2) **SELECTION OF HEARING OFFICER OR HEARING PANEL:** Soon after the receipt of your Request for a Hearing the Management Company will select a representative to hear the matter. The hearing officer is usually the Regional Vice President or designee.
- 3) **SCHEDULING OF HEARING:** The hearing will be scheduled to be held within fifteen (15) days after we receive your request for a hearing. It will be held at a time and place convenient for both parties. If a time and place cannot be agreed upon, the hearing officer will designate the time and place. This deadline can be extended by mutual consent.
- 4) **EXAMINATION OF RECORDS:** You have the opportunity before the hearing to examine and, at your own expense, to copy all documents, records, and regulations that are relevant to the hearing unless otherwise prohibited by law.
- 5) **PROCEDURES GOVERNING THE HEARING:**
 - The hearing will be an informal proceeding before a neutral representative of the managing agent, at which both parties will have an opportunity to present their sides of the dispute.
 - Another person of one's choice may accompany both parties.
 - Both parties have the right to present documentation, arguments, and witnesses to support their sides of the dispute, to refute evidence relied upon by the other party, and to confront and independently question all witnesses.
 - All matters discussed will be considered confidential by all parties unless otherwise agreed.
- 6) **DETERMINATION BY THE HEARING OFFICER:** The Regional VP or management designee will listen to the information presented. Any decision will be based solely and exclusively on the information presented at the meeting and the application of pertinent laws and regulations. All decisions will be in writing (See Exhibit B – Summary of Meeting Form) within ten (10) calendar days of the hearing and will state the findings and specific basis for the determination. One copy of the summary will be given to the applicant/resident and one will be retained in the agent's files.
- 7) **RIGHT TO APPEAL:** If the decision is against the resident, he or she has the right to appeal to either the Housing Finance Agency or the U.S. Department of Housing and Urban Development.

Attachments: Grievance Procedure Complaint Form (Exhibit D-2)
Summary of Meeting Form (Exhibit D-3)

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GRIEVANCE PROCEDURE SUMMARY OF MEETING AND DECISION FORM

Name and address of property: _____

Name and address of Applicant/Resident filing this complaint: _____

Specific nature of complaint: _____

Date of meeting: _____

Participants in meeting: _____

Decision and specific reasons therefore: _____

Hearing Officer



Atlantis Apartments
Tenant Selection Plan
December 2020





Introduction

The objective of this Tenant Selection Plan is to consolidate relevant policies and procedures affecting tenant selection pursuant to applicable federal and state laws and affordable housing and/or subsidy program rules and requirements. The Plan sets out a procedure for processing and selecting applicants, including the establishment of preferences and priorities, occupancy standards, rejection standards, reviews and appeals of rejection decisions, and notice requirements.

The Plan is designed to promote fairness and uniformity in tenant selection. It is also designed to promote efficiencies in the procedure by which applications are processed. One of the principle elements of this plan is that it allows management agents to make a preliminary determination of eligibility based on the applicant's self-certification of income and priority status. Initial acceptance of applicant self-certification generally allows the management agent to focus on other administrative duties rather than investing significant staff time in verifying such information at initial application and once again when the applicant is accepted from the waiting list.

Right to Apply

No person may be refused the right to apply for housing unless the development's waiting list is closed and notice of the closed waiting list has been announced in a publication likely to be read by potential applicants in accordance with HUD regulations.

Fair Housing and Equal Opportunity Requirements

It is this property's policy to comply with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Fair Housing Act Amendments of 1988, E.O. 13166, the Elliot-Larson Act, HUD's Equal Access Rule and any legislation protecting the individual rights of applicants, residents, or staff which may subsequently be enacted by HUD or the State and County of New York.

The property will not discriminate because of race, color, sex, familial status, religion, handicap, disability, sexual orientation, gender identity, marital status or national origin in the leasing, rental, or other disposition of housing in any of the following ways:

- Deny to any household the opportunity to apply for housing, nor deny to any eligible applicant the opportunity to lease housing suitable to its needs,
- Provide housing which is different than that provided others,
- Subject a person to segregation or disparate treatment,
- Restrict a person's access to any benefit enjoyed by others in connection with the housing program,
- Treat a person differently in determining eligibility or other requirements for admission,
- Deny a person access to the same level or services, or
- Deny a person the opportunity to participate in a planning or advisory group which is an integral part of the housing program.



It is the policy of this property, pursuant to Section 504 of the Rehabilitation Act (if applicable) and the Federal Fair Housing Act to provide reasonable accommodations and modifications upon request to all applicants, residents, and employees with disabilities. Questions and inquiries regarding applicant treatment relative to Section 504 of the Rehabilitation Act of 1973 should be addressed by mail to the following person, responsible for related policies:

Shannon Bodnar, Vice President of Compliance
Fairstead Management
250 W. 55th Street, 35th Floor
New York, NY 10019
(212) 896-4922, TTY via 711 National Relay

The property will do its due diligence to identify and eliminate situations or procedures which create a barrier to equal housing opportunity for all. In accordance with Section 504, the property will make reasonable accommodations for individuals with handicaps or disabilities as well as for individuals with limited English proficiency (applicants or residents).

Questions and inquiries regarding applicant treatment relative to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, E.O. 13166 or the Fair Housing Act Amendments of 1988 should be addressed by mail to the following person, responsible for related policies:

Shannon Bodnar, Vice President of Compliance
Fairstead Management
250 W. 55th Street, 35th Floor
New York, NY 10019
(212) 896-4922, TTY via 711 National Relay

This person is not directly involved in the day-to-day decision-making process involving admitting applicants to the property.

Limited English Proficiency

Management complies with Executive Order 13166 in its efforts to improve access to all of its programs and activities for persons who, as a result of national origin, are limited in their English proficiency. A separate Limited English Proficiency Plan, which outlines the specific language assistance that is provided for persons who are limited in their English proficiency, is available for review upon request.

Privacy Policy

It is the policy of the property to guard the privacy of individuals conferred by the Federal Privacy Act of 1974 and to ensure the protection of such individuals' records maintained by the property. Therefore, neither the property nor its agents will disclose any personal information contained in its records to any person or agency unless required by law, or unless the individual about whom information is requested will give written consent to such disclosure.

This privacy policy in no way limits the property's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy. Consistent with the intent of Section 504



of the Rehabilitation Act of 1973, any information obtained regarding handicap or disability will be treated in a confidential manner.

General Program Eligibility Requirements

Applicants must meet the following program eligibility requirements to be eligible for occupancy and housing assistance at each property:

- **Income Eligibility and Computation of Rent**

Income limits are based on family size and the annual income the family receives. To determine eligibility based on income limits, the Agent must compare the household's gross annual income to the applicable income limit. If the household's income exceeds the income limit, the household may not qualify for assistance.

This development applies the low or very low-income limits as published by HUD to determine income eligibility.

This development is also administered under Low Income Housing Tax Credit Program (LIHTC) in accordance with IRS regulations and the following additional eligibility requirements apply:

This development applies 50% AMI, 60% AMI income limit(s) to determine income eligibility of applicant households.

The tenant must pay 30% of the computed gross annual income toward the rent of the unit. HUD will pay the rent balance directly to the owner on behalf of the tenant. Certain exclusions are permitted in determining total family income for rent collections. Examples of these are: certain costs and/or grants for medical expenses, lump-sum social security payments. The management agent will verify the amount and course of the applicant's income and unusual medical or other expenses, as well as the size of the applicant's household. Credit report on the applicant will be obtained through the credit bureau.

- The unit for which the family is applying must be the only residence of each household member.
- An applicant must agree to pay the rent required by the program under which the applicant will receive assistance.
- The applicant must have previously demonstrated an ability to pay rent and adhere to a lease. Applicants will not be rejected due to a lack of rental history but may be rejected for a poor rental history.

- **Social Security number requirements:**

In order to determine eligibility and offer a unit, HUD requires every household member, including live-in aides, foster children and fostered adults to have a Social Security Number (SSN).

In addition, the applicant family must provide (for management to copy) a valid Social Security card issued by the Social Security Administration for each household member.



If the household member cannot produce his/her valid Social Security card, at least one of the following alternative documents must be provided as documentation:

- An original document issued by a federal or state government agency which shows the person's name and SSN along with other identifying information (i.e. SSA benefit award letter)
- Driver's license that shows the Social Security Number
- Earnings statement on payroll stubs
- Bank statement or Form 1099
- Retirement benefit letter
- Life insurance policy or court records
- Other evidence that HUD designates as acceptable

Documents that are not originals, or that have been altered, are mutilated or are illegible, or that appear to be forged, will be rejected. In this case, management will explain the reason why the document is not acceptable and will request the submission of acceptable documentation within a reasonable time frame, prior to a unit being offered.

- **Student Eligibility-Section 8**

Student eligibility is determined at move-in/initial certification and at each annual certification. Student eligibility may also be reviewed at interim certification if student status has changed since the last certification.

A student who is otherwise eligible and meets screening requirements is eligible for assistance if the student meets the criteria indicated below. Section 8 assistance shall be provided to any individual who is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential; when the student:

- Is living with his or her parents who are receiving Section 8 assistance
- Is individually eligible to receive Section 8 assistance or has parents who are income eligible to receive Section 8 assistance.
- Is a veteran of the United States military;
- Is married;
- Has a dependent other than a spouse (e.g. dependent child);
- Is at least 24 years of age;
- Is a person with disabilities, as such term is defined in section 3(b)(3)(E) of the 1937 Act and was receiving assistance under section 8 of the 1937 Act as of November 30, 2005;
- Is classified as Vulnerable Youth; A student meets HUD's definition of a vulnerable youth when:
 1. The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
 2. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
 3. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42 U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-



- supporting, by a local educational agency homeless liaison, designated pursuant to the McKinney-Vento Homeless Assistance Act;
4. The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
 5. The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
 6. A financial aid administrator; or
 7. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

If a student does not meet the eligibility criteria above, but can prove independence from parents under HUD rules, then the student would meet HUD's student eligibility criteria. Please see property staff if you need additional information about proving independence from parents.

If an ineligible student applies for or is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated.

NOTE: An owner cannot evict an ineligible student from a unit if the student is in compliance with the terms of the lease.

Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition and other fees is included in annual income, except:

- If the student is over the age of 23 with dependent children or
- If the student is living with his or her parents who are receiving section 8 assistance

Financial assistance that is provided by persons not living in the unit is not part of annual income if the student meets the Department of Education's definition of "vulnerable youth".

The definition of tuition is consistent with the definition provided by the Department of Education.

Prohibition of Assistance to Noncitizen Students (Section 8)

Noncitizen students and their noncitizen families may not receive assistance. Noncitizen students are not eligible for continuation of assistance or temporary deferral of termination of assistance. A noncitizen student is defined as an individual who is as follows:

- A resident of another country to which the individual intends to return;
- A bona fide student pursuing a course of study in the United States; and
- A person admitted to the United States solely for the purpose of pursuing a course of study as indicated on an F-1 or M-1 student visa.

This prohibition applies to the noncitizen student's noncitizen spouse and noncitizen children. However, spouses and children who are U.S. citizens may receive assistance. For example, a family that includes a noncitizen student married to a U.S. citizen is a mixed family.

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- **Student Eligibility-Tax Credit**

A full-time student is defined as one who is, has or will be carrying a full-time subject load or attending an educational institution accredited with a degree or certificate program (including K-12 school age children) during any portion of five months within the current calendar year. Verification of “Full-time” status must be verified by the educational institution. A full-time student household is made up of all members being full time students. Full-time student household will not be eligible unless they meet one of the five IRS exceptions, and must maintain eligibility during their entire tenancy.

Management will determine student eligibility for all households with students and notify residents of the conclusions. Residents must notify management immediately, within thirty (30) days of any change in any member’s student status.

Student Rule Exceptions:

Five exceptions to the student rule are outlined in Section 42. A household that qualifies under one of the following exceptions will not be considered a household of full-time students:

- Student(s) is receiving assistance under Title IV of Social Security Act (e.g. Temporary Assistance for Needy Families (TANF))
- Student was previously under the care and placement responsibility of the local county children services agency (i.e., foster care)
- Student is enrolled in a government sponsored job training program
- Student is married and eligible to file a joint return
- Student is a single parent with at least one dependent child. The parent is not the dependent of another individual and the child is only a dependent of the resident or the other, non-resident parent.

Application Intake and Processing

It is the property’s policy to accept and process applications in accordance with applicable HUD Handbooks and regulations. Applications can be distributed in person, via postal mail, or via email. All completed original applications must be mailed to the address listed on the application, attention to the Property Manager. Management will not accept any application drop-offs in person or electronic submission.

This property will perform marketing activities in accordance with its Affirmative Fair Housing Marketing Plan, with the aim of marketing to potential applicants in its geographical area who are least likely to apply.

All submitted applications must be in writing, on forms provided. If, because of a disability, an applicant is unable to complete an application, a third party can assist in the completion of the form. Only fully completed applications will be accepted. Every application must be completed and signed by the head of household and all additional household members 18 years of age or older. All members of the household must be listed on the application.

All applicants will be provided with HUD Form 92006, Supplement to the Application. This form gives applicant households the option of including contact information for a family member, friend or social service agency worker who can assist with services and special needs, or in resolving tenant issues.

Although the applicant is not required to provide another contact, the applicant must sign and return the form along with the completed application.

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Upon determination that the application is complete, staff will add, via handwriting or stamp, the date and time the application was received, followed by the initials of the person accepting the application. The applicant will be added to the waiting list(s), if applicable.

Ineligible applicants will be promptly notified in writing as to the reason the application is being rejected.

If the application received is not fully complete (including any required attachments) and/or is not signed/dated by all household members age 18 years or older, the application will be returned to the household and will be considered incomplete. The household will be provided 14 days from receipt of the incomplete application to complete and return the application to Management. If this is not done timely, the application will then be rejected.

Screening Criteria for Admission

The following factors shall be considered in screening Applicant for occupancy:

- A demonstrated ability to meet financial obligations and to pay rent on time.
- Reference from current and former landlords (endorsement from at least 2 is preferred); landlord comments/references may request the information regarding the following:
 - i. Non-payment of rent- Credit checks may be useful when no rent payment history is available. However, lack of a credit history, as opposed to poor credit history, is not enough justification to reject an applicant.
 - ii. Failure to cooperate with applicable recertification procedures
 - iii. Violation of house rules (e.g. disturbance of neighbors)
 - iv. Violations of lease (e.g. destruction of property)
 - v. History of disruptive behavior (e.g. disturbing neighbors)

Drug, Criminal and Sex Offender Screening

All applicants and household members over the age of 18 must sign a consent form allowing the release of all relevant criminal data. Applicants will be rejected if any of the following criminal information is verified for any member of the applicant family:

- a) Any household member is subject to any state lifetime sex offender registration requirement*
- b) Any applicant has a record of conviction for any act covered under the Violence Against Women Act.
- c) Any applicant that has been convicted within the last 7 years of any crime that shows a demonstrable risk to tenant safety and/or property. *Management will review these on a case by case basis; applicants should provide any information or documentation necessary to help management make a thorough assessment.
- d) Eviction for drug related criminal activity: if the applicant or any household member has been evicted from any previous housing in the last five years for drug related criminal activity.

*Management is required to ask whether the applicant, or any member of the applicant household, is subject to a lifetime sex offender registration requirement in any state. If so, the family will be given the opportunity to remove the ineligible household member from the applicant household. If the family member who is subject to a



lifetime sex offender registration requirement remains part of the applicant family, the application will be denied. The written rejection notice will clearly state this as the reason that the family is being denied admission.

Prior to offering a unit, a criminal background check to determine whether any household member is subject to a lifetime sex offender registration requirement will be completed. This check will be done using the Real ID database, which automatically searches sex offender registries in all states.

Search results will be kept with the application, in the tenant file, for the term of tenancy plus three years. For rejected applicants, search results will be kept with the application for three years.

If, after moving in, management discovers that a tenant was admitted in error (s/he was admitted after June 25, 2001 and was subject to a state's lifetime registration requirement), eviction will be pursued immediately.

In addition to the above-mentioned criminal, drug and sex offender background checks, Management requires applicants to submit at least one professional letter of reference as part of the application process. Letters of reference are preferred to be obtained from prior landlords, religious leaders, case/social workers, employers etc. If a professional letter of reference cannot be submitted to Management but applicant has fulfilled all other screening criteria Management will consider eligibility on a case by case basis.

In the interest of protecting the project and its residents, no exceptions will be made to this policy.

Credit History

Management will review each adult applicants' credit history. Applicants may be rejected for a poor credit history but cannot be rejected for lack of a credit history.

All applicants sign a consent form for the release of this information during the interview process and are not charged any fees for any of the above background checks.

A professional screening vendor will be used to provide a credit report for each applicant household. No cost will be charged to the applicant. Applicants will be rejected if any of the following credit information is verified for any member of the applicant family:

- (a) Applicant currently has any outstanding landlord or utility collections
- (b) Applicant has had 2 or more previous non-payment procedure in housing court during the last 3 years
- (c) Credit score reported from the screening vendor is below 580.*
- (d) Screening report includes a discharged bankruptcy (Chapter 7 or Chapter 8). The owner agent will further consider the applicant if the bankruptcy was dismissed and other credit information reported is "positive"
- (e) Applicant is currently paying or being pursued to pay any collection agency an amount in excess of \$3000 when such collection proceedings began within the preceding three (3) years of applying. Records reviewed include but are not limited to:
 - 1. Civil Judgement
 - 2. Child Support
 - 3. Federal Tax Lien
 - 4. State Tax Lien
 - 5. Garnishment
 - 6. Utility Lien (Power, Water, Gas, Sewer)



(f) Applicant has any debt owed to a prior landlord or HUD.**

* For applicants with homeless shelter referrals programs, the property chose to accept homeless applicants with a credit score of 500 or higher

**Exemptions are permitted if the applicant provides proof for repayment of debt. Proof must be a statement of satisfaction from creditor, court, or other legal proof.

Rental History

Applicants are required to submit copies of their last three rent receipts and/or a letter from their landlord that discusses their rental history.

Management may reject an applicant for having a poor rental history. However, applicants will not be rejected if they simply have a lack of rental history. In general, applicants who have a history of paying their rent late or accumulating rent arrears will be rejected.

Applicants cannot have a history of disturbance of neighbors, destruction of property, or living or housekeeping habits that would pose a threat to other residents.

An applicant's behavior toward the property manager and other staff will be considered as indicative of future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward property staff will result in the rejection of the application.

If any household member was a previous resident at this property, the tenant file will be checked. If there is documentation that the tenant was repeatedly notified of rules violations or lease violations, or if the household left the property owing overpaid HUD assistance, unpaid rent or damages, the application will be rejected.

Occupancy Standards

Applicant households must meet the established occupancy standards of local Landlord/Tenant laws. As a general policy, there should be a minimum of one person per bedroom and no more than two persons per bedroom. Management will take into consideration mitigating circumstances such as reasonable accommodations for disabilities and verified medical reasons for a larger unit.

Units will be assigned in accordance with the following standards:

Unit Size	Minimum Occupancy	Maximum Occupancy
Studio	1 person	2 persons
One Bedroom	1 person	2 persons
Two Bedroom	2 persons	4 persons
Three Bedroom	3 persons	6 persons
Four Bedroom	4 persons	8 persons



Application Rejections

The property complies with applicant rejection requirements set forth in the HUD Handbook 4350.3. Management reserves the right to reject applicants for admission if it is determined that the applicant or any member of the household falls within any one or more of the following categories:

- **Misrepresentation:** Willful or serious misrepresentation in the application procedure or certification process for any government assisted dwelling unit.
- **Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior:** Includes documented instances of behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence or irresponsibility which damages the equipment or premises in which the family resides; or which is disturbing or dangerous to neighbors or disrupts sound family and community life.
- **Violent Behavior:** Includes documented evidence of acts of violence or of any other conduct which would constitute a danger or disruption to the peaceful occupancy of neighbors.
- **Non-Compliance with Rental Agreement:** Includes evidence of any failure to comply with the terms of rental agreements at prior residences, such as failure to recertify as required, providing shelter to unauthorized persons, keeping unauthorized pets, or other acts in violation of rules and regulations.
- **Owing Prior Landlords:** Applicants who owe a balance to present or prior landlords will not be considered for admission until the account is paid in full and reasonable assurance is obtained that the contributing causes for nonpayment of rent or damages have changed sufficiently to enable the family to pay rent and other charges when due.
- **Ineligible Students:** Applicant households whose members include an ineligible student who is enrolled in an institution of higher education as noted in Program Eligibility Requirements/Student Eligibility.
- **Unsanitary or Hazardous Housekeeping:** Includes creating any health or safety hazard through acts of neglect, and/or causing or permitting any damage to, or misuse of premises and equipment; causing or permitting infestation, foul odors or other problems injurious to other persons' health, welfare or enjoyment of the premises; depositing garbage improperly; failing to reasonably and properly use all utilities, facilities, services, appliances and equipment within the dwelling unit, or failing to maintain them in a clean condition; or any other conduct or neglect which could result in health or safety problems or damage to the premises.
- **Criminal Activity:** if Management has a reasonable cause to believe that any applicant's illegal use or a pattern of illegal use of a drug and/or alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents, Management will reject the households application. Criminal records and former landlord references will be used in making such determinations.

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- Sex Offender Registration: Any member of the household is subject to a lifetime registration requirement under the state sex offender registration program
- **Social Security Number Documentation:** If there is missing SSN documentation for any non- exempt household member when the household reaches the top of the waiting list and a unit is available, then the household will be skipped, in order to admit the next eligible household. The skipped applicant household may keep its position on the waiting list for 90 days from the date they are first offered a unit, to allow them time to provide acceptable SSN documentation. After 90 days, if any household member has not provided SSN documentation, the household will be determined to be ineligible and will be removed from the waiting list.
- **Credit History:** A consistent, severe or recent history of deficiencies in overall credit or rent payment which indicates that the family will be unable or would otherwise fail to pay when due rent for the apartment and other expenses relating to occupancy of the apartment.
- Application is determined to be incomplete.
- Applicant fails to appear for an interview.
- Applicant has a prior or pending bankruptcy, provided that the bankruptcy filing occurred within the last 12 months.
- Applicant has total open/unsatisfied delinquencies, collections, money judgments, and liens in excess of \$5,000.

All applicant rejections will be made in writing and will include specific reason(s) for the rejection. Per the VAWA Final Rule, the VAWA Notice and VAWA Certification will also be provided to all rejected applicants, as an attachment to the rejection notification.

The rejected applicant has the right to appeal, in writing, within 14 days, to request a meeting to dispute the rejection. Persons with disabilities have the right to request reasonable accommodations to participate in the grievance process. This meeting must be conducted by a member of the owner's staff who was not involved in the initial decision to deny admission or assistance. Management will provide a written determination to the applicant within 5 (five) days of the meeting.

Reasonable Accommodations

A reasonable accommodation is a change, exception, or adjustment to a program, service, building, dwelling unit, or workplace that will allow a qualified person with a disability to fully participate in a program, take advantage of a service, live in a dwelling unit, or perform a job. Reasonable accommodations may include changes in the method of administering policies, procedures, or services. Examples of reasonable accommodations include physical adaptations to units, live-in aides and assistance animals.

For reasonable accommodations to apply there are several requirements. First, the applicant must have a verifiable disability (mental, developmental, or physical impairment that substantially limits one or more major life



activities) as defined by HUD as applicable to the property's program type.

Next, the disability must have a direct correlation to the accommodation being requested by the applicant. And, the applicant must request a reasonable accommodation and provide verification of his/her disability and his/her need for the accommodation. Finally, for the accommodation to be reasonable it cannot result in a financial or administrative burden to the property.

In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations, the applicant is not eligible and the applicant will be rejected.

Examples of such situations include cases where the applicant's behavior or performance in past housing caused a direct threat to the health or safety of persons or property; past history or other information that shows the applicant's inability to comply with the terms of the property's lease; or an objective determination that the applicant would require services from management that represent an alteration in the fundamental nature of the property's program.

If an applicant makes a request, management will provide a reasonable accommodation if the applicant has a verifiable disability that is directly related to the request and providing the reasonable accommodation will not result in a financial or administrative burden to management or to the owner.

In providing reasonable accommodations for, or performing structural modifications for otherwise a qualified individual with disabilities, the property is not required to:

- Make structural alterations that require the removal or altering of a load-bearing structure,
- Provide support services that are not already part of its housing programs,
- Take any action that would result in a fundamental alteration in the nature of the program or service, or
- Take any action that would result in an undue financial and administrative burden on the property, including structural impracticality as defined in the Uniform Federal Accessibility Standards (UFAS).

If the site is unable to make a reasonable accommodation due to a resulting financial burden, the applicant may, at his/her own expense, make the accommodation after structural approval by management.

Management may require that the tenant remove the accommodation (or have it removed) upon vacating the unit.

Live-In Aides are considered to be a reasonable accommodation. Management must obtain verification that the Live-In Aide is needed to provide necessary supportive services essential to the care and well-being of the individual, and that there is a disability-related need for the Live-In Aide. This verification will be obtained from the individual's physician, medical practitioner, or health care provider.

The Live-In Aide cannot stay in the unit as a remaining family member, once the tenant who needs the services leaves the unit or dies. Live-In Aides who violate any of the property's House Rules will be subject to eviction. Live-In Aides must meet the same screening criteria as any other applicant, except for credit checks.

Waiting List Preferences and List Management

It is property policy to administer its waiting list as required by HUD handbooks and regulations and



maintains a digital waiting list that can be sorted by unit type.

Management will observe preferences listed below:

- a) Accommodation for Existing Residents: Requests for accommodation from existing residents requiring unit transfers will take priority over all waiting list applicants. Accommodation results when a third party-verified handicap or disability requires a change or repairs which make it easier for the existing resident to reside at the project or a VAWA-related emergency transfer (discussed later in this plan)
- b) Transfers for Existing Tenants: Households that are over/under housed will be granted preference over all applicants on the waitlist
- c) Accessibility Preference: Management shall give a preference to at least five percent (5%) of the dwelling units to people with physical disabilities and at least two percent (2%) of the dwelling units to people with hearing and vision disabilities
- d) Income Targeting: For developments assisted under a contract for project-based Section 8 assistance, the owner must lease not less than 40% of the units assisted under the contract that become available for occupancy in a calendar year to extremely low-income (ELI) households. As of July 1, 2014, extremely low-income households are now defined whose incomes do not exceed the higher of: The Federal Poverty Level OR 30 percent of Area Median Income.
After every move-in during the calendar year, management staff must determine whether or not the next move-in is required to be an ELI household. A spreadsheet designed solely for this purpose has been developed by the Agent and will track ELI status on an on-going basis.
Management staff must always process the next eligible applicant household in accordance with the tenant selection plan and any applicable preference system. The only exception to this process should occur when the ELI spreadsheet identifies that the next move-in is required to be an ELI household and the next applicant is not ELI-qualified. In this case, management staff should process the next ELI-qualified household regardless of their position on the waiting list.

Opening and Closing the Waiting List(s):

In order to maintain a balanced application pool, the property may restrict or suspend application-taking and close the waiting list. The property will also update the waiting list by removing the names of those who are no longer interested in, or no longer qualify for, housing.

Decisions about closing the waiting list will be determined based on the number of applications available for a particular unit size and the ability of the property to house an applicant in an appropriate apartment within a 3-year period.

Closing and reopening of the waiting list, as well as any restrictions on accepting applications, will be publicly announced in publication(s) likely to be read by potential applicants. Advertisements will include information about where and when to apply and will conform to the advertising and outreach practices described in the property's Affirmative Fair Housing Marketing Plan.

During the period when the waiting list is closed, the property will maintain an inquiry list. Individuals



located on this list will be notified when the waiting list is reopened.

Removal of Applications from the Waiting List:

The property will not remove an applicant's name from the Waiting List unless:

- The applicant requests that his/her name be removed.
- The applicant was clearly told, in writing, of the requirement to advise the property of his/her continued interest in housing by a particular time, and failed to do so, even after being provided with reasonable accommodations in the event of handicap or disability.
- The property attempted to contact the applicant in writing, but the letter was returned by the U.S. Postal Service as undeliverable.
- The property has notified the applicant, in writing, of its intention to remove the applicant's name because the applicant no longer qualifies for assisted housing.
- The applicant accepted an offer of a unit but failed to move in on time, without notice.
- The applicant household needs a different size unit due to a household composition change, and the property has no units of that size.
- The applicant household failed to provide SSN documentation for any non-exempt household member after the expiration of the provided grace period.

Unit Transfer Policies

Residents will be placed on a transfer waiting list if they meet one of the following ranked conditions:

- Unit transfer is needed for medical reasons which are certified by doctor, or needed based on the need for an accessible unit, as certified by a physician or other medical professional, as a reasonable accommodation for persons with verified disabilities, or a VAWA-related emergency transfer (discussed later in this plan)
- Over/under utilization based on family composition*
- Unit is no longer habitable at no fault of tenant

If a tenant is transferred as a reasonable accommodation to a household member's verified disability, the owner will pay the costs (not to include transfer of utilities) associated with the transfer, unless doing so would be an undue financial/administrative burden.

When a household transfers to a new apartment, management will transfer the existing security deposit to the new unit.

Remaining Family Members

In order to stay in the unit as a remaining family member if the Head of Household leaves the unit, a person must already be on the lease when the Head of Household leaves and must be of legal contract age under state law. The family will pay rent based upon the income/asset/expense calculations on their last annual recertifications.



Protections Under VAWA

The Violence Against Women Act (VAWA) provides protections to women or men who are the victims of domestic violence, dating violence, sexual assault and/or stalking. The owner/agent understands that, regardless of whether state or local laws protect victims of domestic violence, dating violence, sexual assault and/or stalking, victims of violence have certain rights under the Violence Against Women Reauthorization Act of 2013.

This policy is intended to support or assist victims of domestic violence, dating violence, sexual assault and/or stalking (hereafter referred to as VAWA crimes) and protect person seeking to exercise VAWA protections, as well as affiliated individuals (as defined by HUD), from being denied housing or from losing their housing/ HUD assisted housing as a consequence of their status as victim of VAWA crimes.

Only residents who are assisted by a covered housing program can invoke the VAWA protections that apply solely to residents. The term “resident” refers to an assisted family and the members of the household on their lease, but does not include guests or unreported members of a household.

In addition, a live-in aide or caregiver is not a resident, unless otherwise provided by program regulations, and cannot invoke VAWA protections.

VAWA ensures that person seeking to exercise VAWA protections are not denied housing and housing assistance is not terminated solely because the person is a victim of an offense covered under the VAWA (domestic violence, dating violence, stalking and/or sexual assault).

However, being a victim of a VAWA crime is not reason to change the eligibility or applicant screening requirements set forth in the tenant selection plan unless such requirements interfere with protections provided under the VAWA.

Being a person seeking to exercise VAWA protections of an offense covered under the VAWA is not reason to waive requirements set forth in the HUD Model Lease or in any lease attachment or HUD approved lease addendum unless such requirements interfere with protections provided under the VAWA.

The owner/agent will not assume that any act is a result of abuse covered under the Violence Against Women Act. In order to receive the protections outlined in the VAWA, the applicant/resident must specify that he/she wishes to exercise these protections.

If any applicant or resident wishes to exercise their VAWA protections, he/she should contact the owner/agent or property management staff immediately. The owner/agent is committed to ensuring that the Privacy Act is enforced in this and all other situations.

Confidentiality

The identity of the person seeking to exercise VAWA protections and all information provided to owner/agent relating to the incident(s) of abuse covered under the VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is:

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- Requested or consented to by the person seeking to exercise VAWA protections in writing;
- Required for use in an eviction proceeding or termination of assistance; or
- Otherwise required by applicable law.

The owner/agent will retain all documentation relating to an individual's domestic violence, dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or resident files.

Requests & Certification

When the owner/agent responds to a request for protections provided under the VAWA the owner/agent will request that an individual complete, sign, and submit a certification form. This certification may be submitted in an equally effective manner, as a reasonable accommodation, if there is the presence of a disability.

The owner/agent understands that the delivery of the certification form to the applicant/resident via mail may place the person seeking to exercise VAWA protections at risk, (e.g., the abuser may monitor the mail). The owner/agent will work with the applicant/resident in making acceptable delivery arrangements, such as inviting them into the office to pick up the certification form or making other discreet arrangements.

If the applicant/resident has sought assistance in addressing VAWA crimes from a federal, state, tribal, territorial jurisdiction, local police or court, the applicant/resident may submit written proof of this outreach in lieu of the certification form. The owner/agent may accept the following:

- A federal, state, tribal, territorial, or local police record or court record or
- Documentation signed and attested to by a professional (employee, agent or volunteer of a person seeking to exercise VAWA protections service provider, an attorney, medical personnel, etc.) From whom the person seeking to exercise VAWA protections has sought assistance in addressing domestic violence, dating violence and/or stalking or the effects of the abuse.

The signatory attests under penalty of perjury (28 U.S.C. §1746) to his/her belief that the incident in question represents bona fide abuse, and the person seeking to exercise VAWA protections of such crimes has signed or attested to the documentation.

- If the applicant is currently living in a shelter established to protect person seeking to exercise VAWA protections of violence covered under the VAWA, the owner/agent will accept verification of such living arrangement in lieu of the certification or other forms as noted above.

The person seeking to exercise VAWA protections must provide such documentation to management. The person seeking to exercise VAWA protections is not required to name his/her abuser if doing so would result in imminent threat or if the person seeking to exercise VAWA protections does not know the name of his/her abuser.

To ensure that a person is not wrongly accused of committing an offense covered under the VAWA, the owner/agent will carefully evaluate abuse claims as to avoid denial, termination of assistance, termination of tenancy or eviction based on false or unsubstantiated accusations.



Criminal Background Check

Domestic violence can often have negative criminal consequences for a victim of VAWA crimes. The perpetrator may cause damage to the victim's property causing eviction. The perpetrator may force a victim to participate in criminal activity, or a victim may be arrested and/or listed on a police report as part of policies that require arresting both parties in a domestic disturbance. Management will take such extenuating circumstances into account and will not deny tenancy or occupancy rights based solely on these adverse factors that are a direct result of being a victim of VAWA crimes.

Credit Checks

Domestic violence can often have negative economic consequences for a victim of VAWA crimes. The perpetrator may take out credit cards in a victim's name and ruin their credit history or cause damage to a victim's property causing eviction. Management will take such extenuating circumstances into account and will not deny tenancy or occupancy rights based solely on these adverse factors that are a direct result of being a victim of VAWA crimes.

Rental History

Domestic violence can often have negative consequences for a victim of VAWA crimes. The perpetrator may cause damage to a victim's property causing eviction and/or poor rental history. The perpetrator may force a victim to participate in criminal activity or a victim may be arrested as part of policies that require arresting both parties in a domestic disturbance. Management will take such extenuating circumstances into account and will not deny tenancy or occupancy rights based solely on these adverse factors that are a direct result of being a victim of VAWA crimes.

The owner/agent will review and respond to requests to exercise protections provided under the VAWA within ten (10) business days of receiving all required documentation. The owner/agent may provide the response in any manner acceptable to the person seeking to exercise VAWA protections and the owner/agent. Responses include:

- Approval of the Request
- Denial of the Request
- Request for additional information

If the request is denied, the person seeking to exercise VAWA protections may appeal the decision. The appeal meeting will be conducted by someone who was not involved in the original decision to deny.

Lease Bifurcation

If the owner/agent determines that physical abuse caused by a resident is clear and present, the law provides the owner/agent with the authority to bifurcate a lease (i.e., remove, evict, or terminate housing assistance to any abuser, while allowing the person seeking to exercise VAWA protections, who lawfully occupies the home, to maintain tenancy.)

The owner/agent may attempt to evict the abuser, but residents should know that state/local tenant/landlord laws prevail and the owner/agent must comply with such laws. The owner/agent cannot guarantee that a court will award or enforce an eviction.

Owner/agents must keep in mind that the eviction of or the termination action against the individual must be in accordance with the procedures prescribed by federal, state, and local law. The owner/agent is committed to attempting to assist the person seeking to exercise VAWA protections, however, evictions are generally carried out



through the court system and the owner/agent cannot override or circumvent a legal decision.

In the event that one household member is removed from the unit because of engaging in acts of domestic violence, dating violence, sexual assault and/or stalking against another household member, an appropriate certification will be processed reflecting the change in household composition. Special consideration will be given if the remaining household members are not qualified to remain in the unit as a “remaining household member”.

If a lease is bifurcated or if a resident is evicted from the property because of an offense covered under the Violence Against Women Act, the person will be permanently barred from the property.

Inviting a person evicted because of an offense covered under the Violence Against Women Act or encouraging such person to remain on the property is a lease violation. The resident agrees to notify the owner/agent and/or the local authorities if such person enters the property.

Emergency Transfer

The owner/agent will consider an Emergency Transfer Request when a person seeking to exercise VAWA protections feels that he/she is:

- In imminent danger
- Was sexually assaulted on the property within 90 days of the request

The owner/agent will accept the Emergency Transfer Request directly from the person seeking to exercise VAWA protections or from an advocate working on behalf of the person seeking to exercise VAWA protections.

Lease Addendum

VAWA lease addendum will be implemented and provided in accordance with current and future HUD guidance.

Other Disclosures

Property employees are not permitted to accept any money connected with the application procedure, criminal or credit checks and/or apartment designation.

A copy of this Tenant Selection Plan will be provided, at no charge, to any applicant, tenant, or member of the general public at his/her request.

In the event of changes to this Tenant Selection Plan, all applicants will be notified that the Plan has changed, and that a copy of the revised Plan will be provided, at no charge, upon request. Notification will be made via U.S. first-class mail to applicants.

Atlantis Apartments is the beneficiary of a long-term Section 8 project-based HAP contract and is prohibited from adopting a preference for a target population with specific disabilities.

24 CFR § 5.655 - Section 8 project-based assistance programs: Owner preferences in selection for a project or unit.

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**§ 5.655 Section 8 project-based assistance programs:
Owner preferences in selection for a project or unit.**

(a) *Applicability.* This section applies to the section 8 project-based assistance programs. The section describes requirements concerning the Section 8 owner's selection of residents to occupy a project or unit, except for the moderate rehabilitation and the project-based certificate or voucher programs.

(b) *Selection -*

(1) *Selection for owner's project or unit.* Selection for occupancy of a project or unit is the function of the Section 8 owner. However, selection is subject to the income-eligibility and income-targeting requirements in § 5.653.

(2) *Tenant selection plan.* The owner must adopt a written tenant selection plan in accordance with HUD requirements.

(3) *Amount of income.* The owner may not select a family for occupancy of a project or unit in an order different from the order on the owner's waiting list for the purpose of selecting a relatively higher income family. However, an owner may select a family for occupancy of a project or unit based on its income in order to satisfy the targeting requirements of § 5.653(c).

(4) *Selection for particular unit.* In selecting a family to occupy a particular unit, the owner may match family characteristics with the type of unit available, for example, number of bedrooms. If a unit has special

accessibility features for persons with disabilities, the owner must first offer the unit to families which include persons with disabilities who require such features (see §§ 8.27 and 100.202 of this title).

(5) *Housing assistance limitation for single persons.* A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a resident family may not be provided a housing unit with two or more bedrooms.

(c) *Particular owner preferences.* The owner must inform all applicants about available preferences and must give applicants an opportunity to show that they qualify for available preferences.

(1) *Residency requirements or preferences.*

(i) Residency requirements are prohibited. Although the owner is not prohibited from adopting a residency preference, the owner may only adopt or implement residency preferences in accordance with non-discrimination and equal opportunity requirements listed at § 5.105(a).

(ii) A residency preference is a preference for admission of persons who reside in a specified geographic area ("residency preference area").

(iii) An owner's residency preference must be approved by HUD in one of the following methods:

(A) Prior approval of the housing market area in the Affirmative Fair Housing Marketing plan (in accordance with § 108.25 of this title) as a residency preference area;

(B) Prior approval of the residency preference area in the PHA plan of the jurisdiction in which the project is located;

(C) Modification of the Affirmative Fair Housing Marketing Plan, in accordance with § 108.25 of this title,

(iv) Use of a residency preference may not have the purpose or effect of delaying or otherwise denying admission to a project or unit based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

(v) A residency preference must not be based on how long an applicant has resided or worked in a residency preference area.

(vi) Applicants who are working or who have been notified that they are hired to work in a residency preference area must be treated as residents of the residency preference area. The owner may treat graduates of, or active participants in, education and training programs in a residency

preference area as residents of the residency preference area if the education or training program is designed to prepare individuals for the job market.

(2) Preference for working families.

(i) The owner may adopt a preference for admission of working families (families where the head, spouse or sole member is employed). However, an applicant shall be given the benefit of the working family preference if the head and spouse, or sole member, is age 62 or older, or is a person with disabilities.

(ii) If the owner adopts a preference for admission of working families, the owner must not give a preference based on the amount of earned income.

(3) Preference for person with disabilities. The owner may adopt a preference for admission of families that include a person with disabilities. However, the owner may not adopt a preference for admission of persons with a specific disability.

(4) Preference for victims of domestic violence. The owner should consider whether to adopt a preference for admission of families that include victims of domestic violence.

(5) Preference for single persons who are elderly, displaced, homeless or persons with disabilities over other single persons. The owner may adopt a preference for admission of single persons who are age 62 or older, displaced, homeless, or persons with disabilities over other single persons.

[65 FR 16720, Mar. 29, 2000]

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Inducement Resolution
for Tax Exempt Bonds

**RESOLUTION OF THE CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY EVIDENCING THE INTENT
TO ISSUE UP TO \$39,000,000 IN PRINCIPAL AMOUNT OF
MULTIFAMILY AFFORDABLE RESIDENTIAL HOUSING
FACILITY REVENUE BONDS FOR THE BENEFIT OF
ATLANTIS PRESERVATION LP**

WHEREAS, the City of Virginia Beach Development Authority, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to promote the welfare of the inhabitants of the Commonwealth of Virginia by, among other things, creating jobs and assisting in the financing of multifamily affordable residential housing facilities; and

WHEREAS, such assistance will benefit the inhabitants of the City of Virginia Beach, Virginia (the "City") and the Commonwealth of Virginia (the "Commonwealth"), either through the increase of commerce, tax revenue and employment opportunities or through the promotion of their safety, health, welfare, convenience or prosperity; and

WHEREAS, the Authority has received a request from Atlantis Preservation LP, a Virginia limited partnership (the "Borrower"), to issue multifamily affordable residential housing facility revenue bonds in an aggregate principal amount not to exceed \$39,000,000 (the "Bonds") to finance or refinance on behalf of the Borrower (i) the costs of the acquisition, renovation, rehabilitation, equipping and improvement of the Atlantis Apartments, a 208 unit affordable garden apartments housing facility located on approximately 11.79 acres consisting of 19 two-story residential buildings, a surface parking area, two playgrounds, a basketball court and other building amenities, (ii) the funding of debt service and other reserve funds, and (iii) to pay costs of issuance and other expenses in connection with the issuance of the Bonds (the "Project"); and

WHEREAS, the Authority is authorized to issue the Bonds for the Project, since the definition of "authority facilities" in Section 15.2-4902(xiii) of the Act that may be financed by the Authority include facilities used primarily for multi-family residences and the City has not activated or established a housing authority as provided by Sections 36-4 and 36-4.1 of the Virginia Housing Authorities Law in Chapter 1, Title 36 of the Code of Virginia, as amended (the "Housing Act")

WHEREAS, preliminary plans for the establishment of a credit facility to finance the Project (the "Plan of Financing") have been described in general terms to the Authority; and

WHEREAS, the Borrower has represented that the Project will be financed through the issuance of one or more series of Bonds; and

WHEREAS, pursuant to due notice, the Authority has on this date conducted a public hearing on the application of the Borrower for the issuance of the Bonds in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986 (the "Code") and Section 15.2-4906 of the Virginia Code; and

WHEREAS, the Borrower and the Authority shall comply with all applicable provisions of the Housing Act; and

WHEREAS, the Borrower currently proposes for the Project to reserve at least forty percent (40%) of the housing units contained therein for occupancy by persons whose income is less than sixty percent (60%) of the area median gross income, as required by Section 142(d)(1)(B) of the Code; and

WHEREAS, (a) each member of the Authority has, before entering upon his or her duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended and (b) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Authority have satisfied the residency requirements of the Act; and

WHEREAS, no member of the Board of Directors of the Authority has any personal interest or business interest in the Borrower or the Bonds or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended (the "Conflict of Interests Act") in connection with this resolution or any other official action of the Authority in connection therewith:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. It is hereby found and determined that the Project and the approval of the Plan of Finance and the issuance of the Bonds will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth and the City.

2. The Authority hereby agrees to assist the Borrower in facilitating the Plan of Financing by undertaking the issuance of its tax-exempt and/or taxable revenue Bonds in an amount not to exceed \$39,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary for the Borrower to proceed immediately with certain actions regarding the Project and the Plan of Financing, therefore the Authority agrees that the Borrower may proceed to undertake actions to facilitate work on the Project and the Plan of Financing, enter into contracts with respect to the acquisition, renovation, rehabilitation, equipping and improvement of the Project, and take such other steps as it may deem appropriate in connection with the Project and the Plan of Financing, provided, however, that nothing in this Resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project and the Plan of Financing. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act, the Housing Act and applicable federal laws.

4. All costs and expenses in connection with the Plan of Financing and the acquisition, renovation, rehabilitation, equipping and improvement of the Project, including the fees and expenses of Bond Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. 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 therefore.

5. In adopting this Resolution the Authority intends to take “official action” toward the issuance of the Bonds and to establish its “official intent” to issue tax-exempt bonds within the meaning of Treasury Regulations Section 1.150-2 as promulgated under the Code, and to allow the Borrower to be reimbursed from the proceeds of the Bonds for any expenditures paid by the Borrower to finance or refinance the acquisition, renovation, rehabilitation, equipping and improvement of the Project and the planning therefore prior to the issuance of the Bonds, all within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code.

6. The Borrower intends to utilize the proceeds from the sale of the Bonds or to incur other debt to pay the costs of the Project in an amount not currently expected to exceed \$39,000,000. Such amount may be revised as the Bond issue is sized and structured, but the aggregate principal amount of the Bond without taking into account original issue premium shall not be increased without the approval of the Authority. Any such taxable debt incurred by the Borrower to finance the Project after the date hereof may be refinanced with tax-exempt bonds as approved by Bond Counsel.

7. The Bonds shall not be a general obligation debt of the Commonwealth or any political subdivision thereof, including the Authority or the City, and neither the Commonwealth, nor any political subdivision thereof, including the Authority or the City, nor any officials, officers, commissioners and/or employees, past, present or future, of any or all of them, are or shall be personally liable thereon. The Bonds, together with the premium, if any, and the interest payable thereon, shall be a limited obligation of the Authority payable solely by the Borrower from revenues, receipts and payments specifically pledged therefor pursuant to the terms of the Bonds and the related financing documents. Neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds, the premium, if any, or the interest thereon or other costs incident thereto.

8. The Authority hereby recommends that the City Council of the City (the “Council”) grant “governing body approval” of the issuance of the proposed Bonds and the Plan of Financing within the meaning of Section 15.2-4906 of the Virginia Code and Section 147(f) of the Code, and directs the Chair or Vice-Chair of the Authority to transmit to the Council a copy of this resolution and a reasonably detailed summary of the Authority’s public hearing held this date. The Fiscal Impact Statement regarding the Project as executed by the Borrower and the Authority as required by Section 15.2-4907 of the Virginia Code shall be filed with the Council as well.

9. The Authority agrees, subsequent to the Council’s granting of the “public approval” for the issuance of Bonds by the Authority, and with the direction and assistance of Bond Counsel

and the Borrower, to apply to the Virginia Department of Housing and Community Development, in its capacity as “allocation administrator” for tax-exempt private activity bonds for the Local Housing Authority Pool, or the Governor’s Discretionary Pool, for one or more allocations totaling \$39,000,000 of local housing authority “volume cap” for the Project.

10. Any obligation of the Authority to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority (including its officers, direction, 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 Authority’s failure to issue the Bonds for the Project or any reason, including but not limited to the failure of the Council to approve the issuance of the Bonds.

11. No tax-exempt Bonds may be issued pursuant to this Resolution until such time as (a) the issuance of the Bonds has been approved by the Council, (b) the Project has received an allocation or allocations from the Local Housing Authority or the Governor’s Discretionary Fund Pool Tax-Exempt Bond Dollar Allocation Pool funds in accordance with applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder, and (c) the final terms and details of the Bonds, together with the Bonds, have been approved by subsequent resolution of the Authority.

12. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision of this resolution shall be declared invalid, such invalidity shall not affect the validity of the remainder of the sections, phrases and provisions of this resolution.

13. The Authority hereby appoints Williams Mullen, as requested by the Borrower, to serve as Bond Counsel.

14. The Bonds may not be issued pursuant to this Resolution until such time as the issuance of the Bonds has been approved by the Council of the City.

15. By submitting its request for this Inducement Resolution to the Authority, the Borrower has agreed to indemnify and hold harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the Project, the Plan of Finance or the Bonds.

16. The Authority shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings hereinabove set forth.

17. This resolution shall take effect immediately upon its adoption.

Date: December 15, 2020

CERTIFICATE

The undersigned, Secretary or Assistant Secretary of the City of Virginia Beach Development Authority, (the "Authority"), does hereby certify that the foregoing resolution was adopted at a meeting of the Board of Directors of the Authority, duly called and held on December 15, 2020, at which meeting a quorum of the directors was present and acting throughout, and that such resolution has not been repealed, amended or supplemented and is in full force and effect on the date hereof.

Member Name	Present	Absent	Voting		
			Yes	No	Abstaining
Lisa M. Murphy, Chair	X		X		
Joseph E. Strange, Vice Chair	X		X		
David L. Bernd, Secretary	X		X		
W. Taylor Franklin, Assistant Secretary	X		X		
William Brunke, Treasurer	X		X		
Dr. William Brown	X		X		
Nneka Chiazor		X			
Penny Morgan	X		X		
Michael J. Standing		X			
Guenter H. Weissenseel	X		X		
Dorothy L. Wood	X		X		

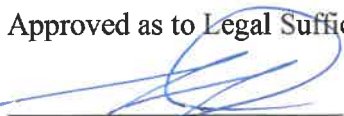
Adopted this 15th day of December, 2020, by the City of Virginia Beach Development Authority.

**CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY**

By: 
Secretary / Assistant Secretary

Approved as to Content:

Economic Development

Approved as to Legal Sufficiency:

City Attorney