Vermont Housing Finance Agency

VHFA Board of Commissioners Meeting Minutes

Vermont Housing Finance Agency
164 St. Paul Street – Board Room
Burlington
Thursday, December 17, 2009 9:00 a.m.

VHFA Board Member Present:
Tom Pelletier (Chair), Gus Seelig (Vice Chair), Rob Alberts, Dagyne Canney, Lisa Randall, Bart Frisbie, Kevin Dorn, Tom Candon, Beth Pearce

Staff Present:
Dave Adams, Sarah Carpenter, Tom Connors, George Demas, Cindy Reid, Maura Collins, Martha Panton, Pat Loller, Josh Slade, Scott Baker, Sam Falzone, Jacklyn Santerre, Joe Erdelyi

Guests:
James McIntyre (Morgan Stanley), Ludy Biddle (Neighborworks of Western Vermont), Chris Snyder (Snyder Company)

BOARD MEETING

Mr. Pelletier called the Board meeting to order at 9:10 a.m. He thanked Ms. Randall for her many years as Chair of the VHFA Board of Commissioners. Ms. Carpenter presented her with a small gift as a token of the Agency's appreciation for her hard work.

CONSENT AGENDA

Mr. Candon moved that the Board approve the items on the Consent Agenda to amend the VHFA 403(b) Retirement Plan and the VHFA Flexible Benefit Plan as recommended by staff. Mr. Dorn seconded the motion which was approved by all members of the Board except Mr. Seelig who was absent for the vote.

BOARD MINUTES

Mr. Alberts moved that the Board approve the November 19, 2009 Board of Commissioners meeting minutes. Mr. Dorn seconded the motion, which was approved by all members of the Board except Mr. Candon and Ms. Pearce who abstained.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

EXECUTIVE DIRECTOR'S REPORT

Ms. Carpenter reviewed the Executive Director's report. She told the Board that staff has been doing a great job working through the federal New Issue Bond Program. She announced that there would be a conference call later in the day with Fannie Mae regarding the Affinity Agreement. Staff will provide the Board with an update after the call. She also announced that staff finished the Housing Needs Assessment which will be presented at the January 2010 meeting.

Ms. Carpenter recently attended the ribbon cutting ceremony at Union Square in Windsor. She would like to see a VHFA Board meeting take place in the new facilities in the summer of 2010.

Mr. Candon asked Mr. Adams to discuss how much NSP money has been used so far. Mr. Adams explained that $3.5 Million has been committed for 17 properties purchased and another five in the pipeline.

Mr. Pelletier asked Ms. Carpenter to comment on Highgate Apartments. Ms. Carpenter explained that there was a HUD finding or disagreement in the way that VHFA assessed the rating during a Management and Occupancy Review at the property. The Agency contracts with VSHA to do Performance Based Contract Administration. VHFA rated Highgate higher than HUD thought it deserved. Therefore, VHFA would not receive the incentive based fees for the review. VHFA, however, is appealing this decision in concert with VSHA. Ms. Canney asked how the private contractors if used by HUD would impact the Agency. Ms. Carpenter explained that it would affect the fee income at VSHA more than VHFA, but could reduce our revenue. However, the Agency would not see a big change in the work load because it still needs to be doing reviews for tax credit and asset management purposes. Mr. Seelig asked if the Agency is still at odds with HUD on the Highgate welfare rent issue finding. Ms. Carpenter explained that the Agency is and that this issue also impacts Northgate. Years ago the Agency received resources from the federal government for the preservation of Highgate and Northgate to keep rents at 30% of all resident's income. Subsequently Vermont changed the way it calculates welfare rent under the "as paid" provision which could result in charging welfare rents over 30% of a resident's income. The properties are appealing the finding citing the Preservation Act and prior HUD approvals and waiting on a legal decision from HUD.

FINANCE

Financial Update

Mr. Connors explained that staff has been focusing a lot of time on the federal New Issue Bond Program. Deadlines, that were very challenging, have all been met. Kutak Rock and Piper Jaffray have done a great job in assisting the Agency. The cost of funds for the term bonds to be sold to Treasury was locked in at a favorable rate. (The cost is calculated as a fixed rate that equals the sum of the 10-year Constant Maturity Treasury (CMT) rate plus a program fee, based on bond rating). VHFA locked in the 10-year CMT at 3.21%. At the time of the Board meeting the rate had been consistently increasing to 3.60% on 12/15. The program fee for a AAA rated bond is 60 bps. Therefore the cost of funds for the bonds sold to Treasury (60% of bonds to be sold) has been locked in at 3.81% (3.21% + 60 bps). In order to close the single family and multifamily escrow bonds the Agency needed to spend approximately $400,000 of Agency cash,

putting additional pressure on the Agency's cash liquidity challenge. Additional Agency funds will be required when the bonds are converted from escrow bonds to program bonds.
In terms of liquidity providers for our VRDO's, staff is still looking at a few options for the last remaining series with Depfa liquidity (Series 23). TD Bank's credit committee gave its approval to provide liquidity for Series 23, but the rates are expensive. Nonetheless, TD Bank is still a viable option. The other option is to stay with Depfa whose rates are lowering. Ms. Pearce asked what would happen if the Depfa fails. Mr. Connors explained that the agreement with Depfa is good until 2020 and Depfa is backed by the German Government so staff is not concerned based on information we have today. Mr. Connors explained the Agency is aware of the concentration risk with TD Bank, but Moody's is not as concerned about concentration risk as they might have been in the past, because there are so few solid liquidity options in the marketplace at the moment. He explained the Federal Home Loan Bank is back in the liquidity business and they may also be a viable option. However, FHLB's terms are not favorable at the moment. Ms. Pearce encouraged staff to perform a risk assessment.

Staff is working with Fitch to potentially add a third rating to the legacy Single Family Indenture. A meeting is scheduled for January 5, 2010.

Staff met with KPMG on Wednesday to discuss and plan the single audits required for recent Federal programs (i.e. NSP). Part of the discussion during the meeting was the fees for each audit, some of which VHFA will incur and can't be passed through to the program.

Mr. Pelletier asked Mr. Connors to comment on daily financial activities. Mr. Connors explained that there are many moving pieces. Loan losses are unknown at this time. However, the Agency is still on track to break even for the year, barring unplanned loan losses. Core operations are on budget but loan production is below budget. Mr. Connors will provide a more detailed update regarding daily activities when the quarter closes.

Federal Program Update
Mr. Connors reviewed the Federal Housing Bond Program handout. Ms. Canney suggested staff meet with the Congressional Delegation regarding the program. Ms. Carpenter explained she keeps the Delegation informed.

Mr. Seelig asked how much is in the multifamily pipeline and what the rate is. Mr. Adams explained the rate is 5.5-6% fixed for 30 or more years. Mr. Adams noted that project readiness will be a challenge in meeting the Treasury's New Issue Bond Purchase program funds. He noted that use of the credit enhancement programs of the GSE will be difficult in light of the timing of project completion and occupancy threshold requirement. Ms. Carpenter explained the Agency cannot use the money for a strict refinance of an existing loan, but it can be used where a project is being restructured with a new owner.

DEVELOPMENT
Middlebury South Village and Cottages
Mr. Adams reviewed the Middlebury South Village and Cottages memo and referred to the discussion around the project at the November 18, 2009 Audit Risk Meeting. He explained that the Agency is looking to move forward with Snyder Company. Bullets 1-5 on the memo outline

the responsibilities and agreements that will need to be finalized between Snyder Company and VHFA.

Ms. Randall questioned why the Agency continues to stay involved based on a $700,000 loss and asked why the Agency would not sell the project to another developer to avoid further loss of time and money. Mr. Adams informed the Board that staff had explored that option with the Snyder Company considering the Snyder Company to be the most likely to have an interest, with a limited number of other developer options. Those discussions ultimately planted the seeds for this proposal, noting that Snyder was not interested in purchasing the project at that time. Mr. Snyder confirmed they did not want to own the project then or now, but felt partnering to build and help sell out the project would be beneficial to their own project, as well as Cottage Lane.

Mr. Snyder reported Snyder Company has had success in recent developments. There was discussion about Middlebury property taxes. Taxes on the homes in their development are high ($6,000/year for the area), however households with income under $90,000 could qualify for a discount on property taxes.

Ms. Canney advised the Agency to avoid print marketing. Online advertisements will create more leads on these properties. She also suggested that $4,000 per month seemed a high cost for marketing. Mr. Adams explained that project management and sales management are included in the $4,000.

Mr. Snyder asked that the Board allow Snyder to prove what they can do with the project in the year. If it does not work out they could reassess in one year. He explained that there are not any developers in the area that would have interest in buying the project as a whole.

Ms. Randall expressed concern with investing more money in a project that there are not clear answers on.

Mr. Seelig recommended the Agency stay on this path while soliciting input from professionals in the Middlebury area including the Select Board.

Mr. Frisbie explained that putting a "fresh face" on the project may make it sell faster. Staff explained that Snyder Company's name would be placed on the project.

Mr. Seelig moved that the Board concur with Staff's recommendation to move forward with the Snyder Company proposal as Staff continues to solicit input from Middlebury professionals. Mr. Dorn seconded the motion which was approved by all Board members except Ms. Randall, Ms. Canney and Ms. Pearce.

Ms. Carpenter added that VSHA has made an offer to Mr. Glassberg to purchase a parcel from him adjacent to Middlebury South Villages and Cottages to develop a Senior Housing project.

MacArthur Pre-Development Loan Program
Mr. Erdelyi reviewed the MacArthur Foundation memo.

Mr. Candon moved that the Board approve the MacArthur Pre-Development Loan Program and authorize the Agency to implement the program and approve loans. Mr. Seelig seconded the motion which was unanimously approved.

MULTI-FAMILY

Abenaki Self-Help

Mr. Falzone informed the Board that VHFA received a Notice of Intent to Sell from Abenaki Self-Help in compliance with the Loan Agreement. The Agency may purchase an option to purchase the project upon payment of a deposit of $1,000 by January 22, 2010 prompting an appraisal. He explained that the Agency intends to move forward with the payment. Ms. Carpenter mentioned that Abenaki Management might not agree with the appraisal. Mr. Pelletier asked Mr. Falzone to continue to keep the Board updated regarding this process.

Depot Square

Mr. Falzone informed the Board that Depot Square received its first treatment for bedbugs and the owner is currently in compliance with an extermination plan for monthly treatments to cure the problem. As a result, VSHA agreed to a one year extension of the HAP Contract.

HOMEOWNERSHIP

Mobile Home Lending Program Update/Changes

Mr. Adams reviewed the Mobile Home memo and explained that staff recommends cutting back on the program. He elaborated on the two options outlined in the memo and explained the Agency's concentration of mobile homes in our portfolio and any growth of that sector of the portfolio will contributing to put pressure on the ratings by the rating Agencies, and loan loss reserves related thereto. Mr. Adams explained that restricting mobile home lending only to those homes already financed by VHFA, would limit expanding the Agency's exposure while keeping the market for homes financed in our portfolio open.

Ms. Randall voiced concern with eliminating a whole section of homes for first-time homebuyers.

Ms. Canney voiced concern with only lending to mobile homes from 1990 or later. There should be a provision to give exception to well built or refurbished mobile homes.

Mr. Connors asked that the Board consider the big picture and Agency ratings in regard to mobile homes. Ms. Randall explained that the Board is looking to balance mission and risk. The Board realizes the downgrade risk, but the option of mobile homes needs to be provided to Vermonters. Mr. Seelig suggested that the Agency work with CDFI's to help fill the lending hole that would be created should the Agency stop lending for mobile homes. Ms. Biddle explained that Neighborworks of Western Vermont is a CDFI and recently received a $2 million award to cover the state. They would be happy to share the facts with VHFA.

Mr. Alberts explained that he would be in favor of reducing the Mobile Home Program if there was an option to reinstate it as is when the circumstances for the Agency are better.

Ms. Pearce moved that the Board approve that the Agency continue with the Mobile Home program as is. Ms. Canney seconded the motion.

Based on further discussion, Mr. Pelletier asked that the motion be amended to include a request to staff to analyze and report no later than February 2010 on: (i) mobile home financing options available in Vermont (ii) the ability of VHFA to publicize the existence of these options, (iii) the ways in which VHFA could continue providing a mobile home financing program by obtaining investments for the reserves that VHFA would be required to hold to maintain its credit rating and (iv) the volume of mobile home sales in Vermont. Ms. Pearce and Ms. Randall accepted the amendment. The motion was unanimously approved.

MGIC Substitution
Mr. Adams reviewed the MGIC Insured Loans section of the Summary of Homeownership Activities. He elaborated on discussions with RMIC and Genworth. Staff expects to have more information regarding a Fannie Mae option in the coming months.

Mr. Pelletier thanked VHFA staff for their hard work in 2009 and congratulated staff on a job well done.

Mr. Seelig moved to adjourn the meeting. Mr. Frisbie seconded the motion, which was unanimously approved. The meeting adjourned at 11:55 a.m.

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer TRC

DATE: January 6, 2010

RE: **Status of Private Activity Volume Cap and End of Year (2009) Resolution**

Action Requested: Adoption of attached resolution to authorize allocation of remaining 2009 private activity volume cap, including any additional 2009 private activity volume cap allocated to VHFA, filing of carryforward election and allocation of private activity volume cap during the course of the calendar year

The attached resolution authorizes Sarah to allocate the Agency's remaining 2009 volume cap, and any additional allocation of 2009 volume cap from the State, between homeownership and multifamily, as may be required. It also authorizes Sarah or me to file the 2009 carryforwards (for 2008 and 2009 general volume cap and 2008 Housing Act volume cap) and to allocate private activity volume cap received in 2010 between homeownership and multifamily as appropriate during the course of 2010.

Status of Agency's Use of Private Activity Volume Cap

Private Activity Volume Cap Availability and Usage Projections
2009 - 2010

Sources of Bonding Authorities	2009		2010
Carryforward - 2008 general	31,848,390	Carryforward - 2008 general	31,848,390
Carryforward - 2008 Housing Act	96,550,479	Carryforward - 2008 Housing Act	79,150,479
New - 2009 general	75,000,000	Carryforward - 2009 general	85,264,000
Additional (anticipated) - 2009 general	10,264,000	New (anticipated) - 2010 general	116,887,500
Total Sources	**213,662,869**		**313,150,369**

Uses of Bonding Authorities	2009		2010
Single Family	0	Single Family (anticipated)	102,000,000
Multifamily	17,400,000	Multifamily (anticipated)	23,000,000
Total Uses	**17,400,000**		**125,000,000**
Cumulative Excess/(Shortfall)	**196,262,869**		**188,150,369**

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

It is important to note that volume cap resulting from the 2008 Housing Act can be used only for housing bonds issued between 7/30/2008 and 12/31/2010 (whereas, general, i.e., not from the 2008 Housing Act, volume cap is allowed a three-year carryforward). Therefore, it is expected that future bond issues will use volume cap from the 2008 Housing Act before reverting back to general volume cap.

Please feel free to call me at 652-3436 if you have any questions or comments about this information.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: ALLOCATION OF 2009 PRIVATE ACTIVITY BOND VOLUME CAP; ELECTION TO CARRYFORWARD PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATIONS AND GENERAL AUTHORITY TO DETERMINE APPROPRIATE USE OF PRIVATE ACTIVITY BOND VOLUME CAP

WHEREAS, the Vermont Housing Finance Agency (the "Agency") has been allocated a total of $75,000,000 in 2009 private activity bond volume cap by the State of Vermont Emergency Board ("2009 Allocation"); and

WHEREAS, the Agency has been allocated a total of $113,047,500 in 2008 private activity bond volume cap by the State of Vermont Emergency Board ("2008 Allocation"); and

WHEREAS, the 2008 Housing Act included additional 2008 private activity bond volume cap for the State of Vermont in the amount of $96,550,479 to be used for "qualified housing issues" ("2008 Housing Act Volume Cap"); and

WHEREAS, the Agency wishes to accept any additional allocation of 2009 private activity bond volume cap from the State of Vermont and to allow the Executive Director to designate its use for either qualified mortgage bonds and/or mortgage credit certificates or exempt facility bonds or a combination of both; and

WHEREAS, the Agency desires to carryforward any of its unused 2008 Allocation and unused 2009 Allocation, plus the 2008 Housing Act Volume Cap, pursuant to section 146 of the Internal Revenue Code of 1986;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The Agency hereby authorizes the Executive Director to allocate the remainder of its 2009 Allocation pursuant to Section 146 of the Internal Revenue Code of 1986 as amended for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both.

2. If the Agency is allocated any additional private activity bond volume cap in 2009 by the State of Vermont, it authorizes the Executive Director to allocate this additional volume cap for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both.

3. The Agency elects to carryforward all of its unused 2008 Allocation and unused 2009 Allocation pursuant to section 146 of the Internal Revenue Code of 1986 for the purposes consistent with its allocation of such carryforward between exempt facility bonds and qualified mortgage bonds and/or mortgage credit certificates and to carryforward the 2008 Housing Act Volume Cap to be used for "qualified housing issues".

4. The Executive Director and Chief Financial Officer are directed, and each of them is authorized, to take all steps necessary to carryforward the Agency's unused 2008 Allocation and unused 2009 Allocation and the 2008 Housing Act Volume Cap, including, but not limited to preparation, execution, and delivery of a Carryforward Election of Unused Private Activity Volume Cap in such form as may be required by the Internal Revenue Service and consistent in content and effect with this Resolution.

5. The Agency hereby authorizes the Executive Director and Chief Financial Officer, individually, to allocate annual allocations of private activity bond volume cap pursuant to Section 146 of the Internal Revenue Code of 1986 as amended for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both. Such allocations in total may be adjusted through the course of the calendar year.

6. The Executive Director and Chief Financial Officer are directed, and each of them is authorized, to take all steps necessary to do such allocations of the annual allocations as needed, including the preparation, execution, and delivery of such individual allocations in such form as may be required by the Internal Revenue Service and consistent in content and effect with this Resolution.

vhfa
Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: January 8, 2010

RE: Request from Grand Way II for 1602 Credit Exchange Surplus Funds

Summary: Brookside Apartments in Colchester, which exchanged its tax credits for 1602 exchange funds, was able to generate cost savings during construction. The sponsors are therefore not using $78,233 of the 1602 funds that they were awarded.

Grand Way II in South Burlington is preparing to close (on all sources of funding) on February 11th. It needs to close on its TCAP (Tax Credit Assistance Program) funding prior to February 16, 2010 in order to meet one of several benchmarks for this federal funding. Due to many factors, Grand Way II is now $92,000 over budget. The factors include: $400,000 of the acquisition cost (which was site improvements) had been attributable to basis, but the tax accountant has informed the developer that it is not basis-eligible, which lowered basis and therefore tax credit equity potential; asbestos abatement has been added to the scope of work; and the 4% tax credit rate which changes monthly has decreased.

The sponsor has been working to cover the unexpected loss in basis (thus funding gap) for some time, has communicated with staff, and has negotiated with the seller a $25,000 reduction in the price of the land. They are planning to defer a larger amount of developer fee, and have reviewed the budget for other potential cost savings. The budget still demonstrates an efficient use of resources, at a per unit cost of $178,700, which is lower than what we are typically seeing lately. Considering that the developer is beginning construction with a low contingency and already deferring a portion of development fee (which generally is considered a second level of contingency), staff is recommending that the 1602 exchange funds of $78,233 be allocated to Grand Way II. Between their cost savings and amount of deferred fee, the $78,233 will close the gap. This funding opportunity comes at an opportune time and will allow the project to start construction with its budgeted construction contingency.

Recommendation: Staff recommends that the Board adopt the resolution in the form attached hereto with respect to Grand Way II.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: SURPLUS 1602 FINANCING FOR GRAND WAY II SENIOR HOSUING, CITY OF SOUTH BURLINGTON

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Cathedral Square Corporation (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the new construction of twenty-eight (28) units of senior rental housing in the City of South Burlington (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, certain funds have been made available to the Agency under Section 1602 of the American Recovery and Reinvestment Tax Act of 2009 ("ARRA") in lieu of Allocated Low Income Housing Tax Credits ("1602 Funds"); and

WHEREAS, the Board of Commissioners adopted a Resolution entitled "Resolution Re: Construction Financing and Proposed Use of Bond Housing Credits for Grand Way II Senior Housing, City of South Burlington" on July 28, 2009 (the "Prior Resolution") for the commitment of other financing and Bond Housing Credits to the Development, and the other financing and Bond Housing Credits will be used in the financing plan for the Development; and

WHEREAS, in addition to the Bond Housing Credits previously approved, certain surplus 1602 Funds have been requested for one or more grants or zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated January 8, 2010, containing information, conditions and recommendations about the surplus 1602 Funds and the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Determinations in the Prior Resolution are hereby adopted and incorporated by reference.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more grants or zero percent (0%) mortgage loans to the Borrower for the financing of the Development using surplus 1602

Funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act and Section 1602 of the ARRA, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of surplus 1602 Funds available for the Development shall not exceed $78,233.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and Section 1602 of the ARRA, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VHFA Board of Commissioners Meeting Minutes
Vermont Housing Finance Agency
164 St. Paul Street – Board Room
Burlington
Conference Call
Monday, January 11, 2010 9:00 a.m.

VHFA Board Member Present via Conference Call:
Tom Pelletier (Chair), Rob Alberts, Dagyne Canney, Lisa Randall, Bart Frisbie, Kevin Dorn, Beth Pearce

Staff Present:
Dave Adams, Sarah Carpenter, Tom Connors, George Demas, Cindy Reid, Maura Collins, Martha Panton, Pat Loller, Scott Baker, Sam Falzone, Renee Couture

Guests Present via Conference Call:
Jeff Sula (Bank of America Merrill Lynch)

BOARD MEETING
Mr. Pelletier called the Board meeting to order at 9:05 a.m.

BOARD MINUTES
Mr. Pelletier requested a correction on the last page of the December 17, 2009 minutes. The minutes reflect that Ms. Randall accepted the amendment to the mobile home program. It should reflect that Ms. Canney accepted the amendment. Mr. Alberts moved that the Board approve the December 17, 2009 Board of Commissioners meeting minutes with the requested changes. Ms. Canney seconded the motion, which was approved by all members of the Board except Mr. Dorn who was not present for the vote.

EXECUTIVE DIRECTOR'S REPORT
Ms. Carpenter reviewed the Executive Director's report. She noted that the legislature's rent-to-own study committee for mobile homes is working on certain statutory proposals that could help resolve some difficulties we have had with obtaining title insurance on mobile homes. She informed the Board that the Agency will be doing the annual Act 68 mailing which provides a mechanism for property owners to update project data needed and maintained by VHFA to classify their properties as affordable housing for tax purposes.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

Mr. Frisbie asked what housing bills will be brought to the legislature this session. Ms. Carpenter said there will be conversations regarding permit reform, but concurrence may be difficult. The Governor will present his budget address next week and staff will report back to the Board highlights of the speech.

FINANCE

Financial Update

Mr. Connors reviewed the Finance Update memo. He emphasized that 2010 will be a critical interim year for the Agency. The primary focus for 2010 will be on the cash strategy. He informed the Board that staff is in the process of closing the second quarter and will provide a report and a full financial analysis at the February Audit/Risk meeting which will be held before the Board meeting.

Mr. Frisbie asked if homeowner mortgage rates can be changed after the Agency sets them subsequent to a bond issuance. Ms. Carpenter said that the Agency can change the mortgage rates and does so in response to the market; however, the challenge for the Agency is that VHFA receives the bond proceeds all at once at a specific rate which stays in place until all the funds are used. Mr. Connors mentioned the possibility of the Agency setting up a short-term warehousing line of credit with the State to help offset negative arbitrage. A line of credit would allow the Agency to purchase loans or securities prior to the issuance of the market rate bonds, thereby minimizing the amount of time bond proceeds sit at low investment rates until loan volume warrants going to the bond market.

Mr. Pelletier encouraged Mr. Connors to continue to present the Financial Update in the memo format that he provided at this meeting.

Volume Cap Resolution

Mr. Connors reviewed the Volume Cap Resolution memo. The resolution is a standard request that the Agency comes to the board with every year. It authorizes staff to allocate the remaining and additional allocations of 2009 private activity volume cap. Ms. Pearce asked if all parties involved (VHFA, VSAC, VEDA and the Vermont Municipal Bond Bank among them) are comfortable with the amount of State reallocation of 2009 cap and with the State allocation of 2010 cap. Ms. Carpenter reported that they are. She added that Sen. Illuzzi is proposing a bill this year to require that 10% of cap be set aside for municipalities.

Ms. Randall moved that the Board accept the Volume Cap Resolution as presented. Mr. Frisbie seconded the motion which was unanimously approved.

DEVELOPMENT

Essex Market Study

Ms. Reid reviewed the Essex Market Study memo. She informed the Board that commissioning a regional market study is a deviation from the standard procedure followed by the Agency. Ms. Carpenter said that the Agency is likely to take the lead on more market studies to ensure more objective regional data. Mr. Adams informed the Board that there has been some push back from the developers on this market study, but staff feels that funding constraints combined with competing projects, along with concern for existing subsidized housing projects warrant a closer look at the housing needs in the greater Essex market area, in addition to project specific market studies.

Grand Way II, South Burlington – 1602 Exchange Surplus Funds
Ms. Reid reviewed the Grand Way II memo and resolution.

Mr. Alberts moved that the Board accept the resolution as presented. Ms. Randall seconded the motion which was unanimously approved

HOMEOWNERSHIP
IORTA Funds Allocation
Mr. Adams reviewed the IORTA Funds Allocation memo. The Agency has accrued approximately $100,000 from Interest earned on Real Estate Trust Accounts (IORTA). The Agency typically distributes these funds to the Homeownership Centers once a meaningful amount has accumulated for distribution. Staff is recommending that this $100,000 be granted to Neighborworks of Western Vermont and to Champlain Housing Trust to provide down payment and closing cost grants to home buyers in the following projects: Middlebury South Village, East Branch Farms, and Cascades.

Ms. Pearce asked why staff chose the projects outlined and if there are others that might have interest in the funds. Ms. Carpenter explained that the Agency typically allows the Homeownership Centers to allocate these funds but staff felt that targeting eligible homebuyers in these projects will help those buyers, and at the same time, help the developers with the marketing of these projects and help them get through the current market slowdown. Mr. Pelletier asked if allocating to these developments could be viewed as self serving by the Agency. Ms. Carpenter explained these down payment assistance grants would be in compliance with the IORTA requirements, even though targeted to specific single family housing developments financed by VHFA. When the Agency allocates these funds to Homeownership Centers we do not restrict their use on projects they may have constructed. Ms. Carpenter said she felt it was important to assist single family homes we encouraged to be constructed not just existing homes.

Ms. Pearce expressed concern with the process used to choose the properties. Ms. Canney would like to see Homeownership Centers allocate the funds for cash assistance instead of VHFA. Ms. Carpenter noted that the Homeownership Centers still administer these funds and that IORTA funds will continue to accumulate for additional distributions in the future.

Ms. Randall moved that the Board approve allocation of IORTA Funds to the specified developments as outlined. Mr. Frisbie seconded the motion which was approved by all members of the Board except Ms. Pearce and Ms. Canney who voted no.

ADMINISTRATION
Annual Meeting
Mr. Demas reviewed the purpose of the Annual Meeting, which, according to VHFA Bylaws, shall be held during the month of March of each year. The Vice Chair and Treasurer are elected

at the Annual Meeting. In addition, the Board ratifies the actions of officers in the prior year, and takes the opportunity to make changes to organizational documents, if applicable.

Mr. Pelletier requested that the Annual Meeting be listed as the first item on the March 2010 Agenda.

Tiger Team Report
Ms. Carpenter provided a report to the Board regarding the recommendations of the Affordable Housing Tiger Team looking for efficiencies in the delivery of affordable housing (one of nine or ten Tiger Teams looking for efficiencies in various areas of State government). She asked the Board if they had any questions regarding the report.

Mr. Dorn informed the Board that the Governor has not announced what he would like to do specifically. He may make the announcement in his budget address next week. Mr. Dorn recommended the report be discussed at the February Board meeting after the Governors address. Ms. Canney agreed.

Mr. Frisbie asked if there is anything in the Tiger Team Report that VHFA does not agree with. Ms. Carpenter said there are still some items that need further clarification. She referenced the memo attached to the Board package. The main concern is in defining what the public interest and savings would be in combining four organizations (VHFA, VHCB, VSHA and DEHCD) into one.

OTHER BUSINESS
Ms. Carpenter reported that another legislative report will be presented regarding reducing state expenditures. Regarding housing, it suggests more resources to help clients of the Agency of Human Services. She advised that the Board keep that in mind as it makes decisions regarding future developments.

The meeting adjourned at 10:10 a.m.

vhfa

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Patricia M. Loller, Director of Administration

DATE: January 29, 2010

RE: **VHFA Flexible Benefit Plan Amendment**

Recommendation: Approval of the attached resolution to adopt an amended and restated VHFA Flexible Benefit Plan.

Plan Amendments and Restatement

The Agency is required by IRS regulations to restate its Flex Plan every five years and the last restatement was in 2005. We are technically not required to restate the plan until December of this year; however, there have been many regulatory changes that the Agency needs to have amended into the plan for the plan year effective 1/1/2010.

Given the amount of work that was needed to incorporate these amendments, it makes financial sense to restate our plan at this time vs. waiting until next year (1/1/2011). We will not be required to do another full restatement of our plan for 5 years (2015) though we may have amendments from time to time.

Some of the required amendments included with this restatement include changes to: COBRA, Children's Health Insurance Program, Michelle's Law, and Genetic Information Nondiscrimination Act of 2008. Again all these changes are required regulatory changes.

Please give me a call with any questions regarding the restated plan, summary plan description or this memo 652-3425.

Consent

VERMONT HOUSING FINANCE AGENCY FLEXIBLE BENEFIT PLAN

SUMMARY PLAN DESCRIPTION

RESTATED EFFECTIVE: JANUARY 1, 2010

TABLE OF CONTENTS

I
ELIGIBILITY

II
OPERATION

III
CONTRIBUTIONS

IV
BENEFITS

V
BENEFIT PAYMENTS

VI
HIGHLY COMPENSATED AND KEY EMPLOYEES

VII
PLAN ACCOUNTING

VIII
GENERAL INFORMATION ABOUT OUR PLAN

IX
ADDITIONAL PLAN INFORMATION

X
CONTINUATION COVERAGE RIGHTS UNDER COBRA

VERMONT HOUSING FINANCE AGENCY FLEXIBLE BENEFIT PLAN

INTRODUCTION

We have restated the "Flexible Benefit Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the restated Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description (SPD) carefully so that you understand the provisions of our restated Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

I
ELIGIBILITY

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Health Flexible Spending Account or Dependent Care Flexible Spending Account.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan as of your date of hire with us. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the month coinciding with or following the date you met the eligibility requirements.

4. Are there any employees who are not eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

-- Employees who work, or are expected to work, less than 20 hours a week.

-- Temporary employees.

5. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the reimbursement (Health Flexible Spending Account and/or Dependent Care Flexible Spending Account) benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for a portion of the benefits you have elected.

However, if you are already covered under any of the insured benefits, you will automatically participate in this Plan to the extent of your premiums unless you elect not to participate in this Plan.

6. What are the eligibility requirements for a dependent?

Dependent means any individual who qualifies as a dependent under an Insurance Contract for purposes of that Contract or under Code Section 152 (as modified by Code Section 105(b)). Any child of a Plan Participant who is determined to be an alternate recipient under a qualified medical child support order under ERISA Sec. 609 shall be considered a Dependent under this Plan.

The requirement that a Dependent child have full-time student status in order to extend coverage past a stated age will generally not apply if the child's failure to maintain full-time status is due to a medically necessary leave of absence or other change in enrollment (such as reduction of hours). If the child's treating physician certifies in writing that the child is suffering from a serious illness or injury, and that the leave of absence or other change in enrollment is medically necessary, coverage may continue for up to a year after the date the medically necessary leave of absence or other change in enrollment begins. To be eligible for the extension, the child must be enrolled in the Plan as a full-time student immediately before the first day of the medically necessary leave of absence. This extension of coverage continues to apply if the manner of providing coverage under the Plan changes (such as from self-funded to fully insured) if the changed coverage continues to provide coverage for dependent children. However, this extension does not extend coverage beyond the date that a child fails to meet the dependent eligibility requirements other than the requirement to be a full-time student.

Except for a student who is on a medically necessary leave of absence, full-time student coverage continues between semester/quarters only if the student is enrolled as a full-time student in the next regular semester/quarter. If the student is not enrolled as a full-time student, coverage will be terminated retroactively to the last day of the attended school term.

Notwithstanding anything in the Plan to the contrary, the Plan will comply with Michelle's Law.

II
OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. Also, we may make additional Employer contributions to the Plan that you may use to increase the amounts used to pay benefits. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III
CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, we will automatically contribute on your behalf enough of your compensation to pay for your portion of premiums for the insurance coverage provided unless you elect not to receive any or all of such coverage. In addition, you may elect to participate in the reimbursement benefits (Health Flexible Spending Account and/or Dependent Care Flexible Spending Account) that are available under the Plan. These amounts will be deducted from your pay over the course of the year.

For new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year.

2. How much will the Employer contribute each year?

If you have other medical coverage and opt out of our group medical coverage, we may contribute a discretionary amount which we will determine prior to the beginning of each Plan Year, and will be announced during annual enrollment. If you fail to complete a new benefit election form, you shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Employer Contributions shall therefore be authorized or made for the upcoming Plan Year for such medical benefits. This contribution can be used for any benefit in the Plan and will be made on a pro rata basis during the year. Employees must provide proof of outside medical coverage at least once per year on the form the Employer provides to qualify for the opt out benefit. If the cash benefit is elected, it will be considered taxable.

3. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

4. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premiums for such coverage unless you elect, during the election period (defined below), not to participate in the Plan.

5. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

6. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

-- Marriage, divorce, death of a spouse, legal separation or annulment;

-- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;

-- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;

-- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and

-- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

Written notification must be provided to the Plan Administrator within thirty (30) days of the event that caused a change in status.

7. What are the Special Enrollment Rights under SCHIP?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. Federal law provides Special Enrollment provisions under some circumstances.

If an Employee has declined enrollment in the Plan for him or herself or his or her dependents (including a spouse) because of coverage under Medicaid or the Children's Health Insurance Program, there may be a right to enroll in this Plan if there is a loss of eligibility for the government-provided coverage. However, a request for enrollment must be made within 60 days after the government-provided coverage ends.

In addition, if an Employee has declined enrollment in the Plan for him or herself or his or her dependents (including a spouse), and later becomes eligible for state assistance through a Medicaid or Children's Health Insurance Program which provides help with paying for Plan coverage, then there may be a right to enroll in this Plan. However, a request for enrollment must be made within 60 days after the determination of eligibility for the state assistance.

If you have any questions regarding the application of this provision to you, contact the Plan Administrator.

8. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the reimbursement benefit options or the Employer Contributions that may be available to each Participant who has other medical coverage and opts out of the Employer's group medical plan under the Plan for the upcoming Plan Year.

IV
BENEFITS

1. What benefits are available?

Under our Plan, you can choose to receive your entire compensation and your Employer's contribution or use a portion to pay for the following benefits or expenses during the year:

Health Flexible Spending Account:

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) (including, for example, amounts for certain hospital, doctor, dental and vision bills, and medicines and drugs, whether purchased by prescription or over-the-counter) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. Expenses must be incurred by you or your dependent(s), and must be for treatment of an existing disease or to prevent a disease that is likely to occur if the medication is not taken. They do not include toiletries and cosmetics, vitamins and dietary supplements or herbal remedies.

You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account each Plan Year is $2,500. In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Dependent Care Flexible Spending Account:

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

(a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws:

(b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and

(c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) $5,000 (if you are married filing a joint return or you are head of a household) or $2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of $250 for one dependent or $500 for two or more dependents). Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

Premium Expense Account:

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

-- Health care premiums under our insured group medical plan.

-- Dental insurance premiums. (if applicable)

-- Vision insurance premiums. (if included with health insurance premiums)

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for coverage, and (2) the coverage is in effect for you.

V
BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Health Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 2 months after the end of the Plan Year (until 2/28 or 2/29), during which time you can continue to incur claims and use up all amounts remaining in your Health Flexible Spending Account.

Any monies left at the end of the Plan Year and the "Grace Period" will be forfeited. Obviously, qualifying expenses that you incur late in the Plan Year or during the "Grace Period" for which you seek reimbursement after the end of such Plan Year and "Grace Period" will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

In order for an individual to be reimbursed for Medical Expenses incurred during a "Grace Period" from amounts remaining in his or her Health Flexible Spending Account at the end of the Plan Year to which the "Grace Period" relates ("Prior Plan Year Health Flexible Spending Account Amounts"), he or she must be either (1) a Participant with Health Flexible Spending Account coverage that is in effect on the last day of that Plan Year; or (2) a qualified beneficiary (as defined under COBRA) who has COBRA coverage under the Health Flexible Spending Account on the last day of that Plan Year.

Prior Plan Year Health Flexible Spending Account Amounts may not be cashed out or converted to any other taxable or nontaxable benefit. For example, Prior Plan Year Health Flexible Spending Account amounts may not be used to reimburse Dependent Care Flexible Spending Account expenses.

Medical Expenses incurred during a "Grace Period" and approved for reimbursement in accordance with the Plan's claims procedure for the Health Flexible Spending Account will be reimbursed and charged first against any available Prior Plan Year Health Flexible Spending Account amounts and then against any amounts that are available to reimburse expenses that are incurred during the current Plan Year. All claims for reimbursement under the Health Flexible Spending Account will be paid in the order in which they are approved. Once paid, a claim will not be reprocessed or otherwise recharacterized as to pay it (or treat it as paid) from amounts attributable to a different Plan Year or Period of Coverage. It will be up to the Participant to submit for any balance for a different Plan Year.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect $1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from $100 per month to $150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect $1,200 for the year and are out on leave for 3 months, your amount will be reduced to $900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. HIPAA Privacy Procedures

Use and Disclosure of Protected Health Information (PHI)

Protected health information ("PHI") is individually identifiable information created or received by the Plan about an individual's past, present or future physical or mental health condition, including information relating to the provision of and payment for health care services. The Plan will use PHI in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as set forth in more detail at 45 C.F.R. Part 160 and Part 164 (the "HIPAA Privacy Regulations"). Specifically, the Plan will use and disclose PHI for purposes related to payment for health care and for health care operations.

Payment for Health Care includes those activities defined in the HIPAA Privacy Regulations, including without limitation:

-- determination of eligibility and coverage;

-- coordination and determination of benefits;

-- adjudication of benefit claims;

-- establishing employee contributions;

-- claims management, including auditing payments, investigating and resolving payment disputes and responding to participant inquiries about payments; and

-- reimbursement to the plan.

Health Care Operations includes those activities defined in the HIPAA Privacy Regulations, including without limitation:

-- quality assessment;

-- conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;

-- business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Plan;

-- resolution of internal grievances; and

-- due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a "covered entity" under HIPAA or, following completion of the sale or transfer, will become a covered entity.

When the Plan uses or discloses PHI, or when it requests such information from other entities, it will undertake reasonable efforts to limit the use or disclosure to the minimum amount necessary to accomplish the intended purpose. This "minimum necessary" standard does not apply to: disclosures to health care providers for treatment, disclosures to the individual, disclosures based on a written authorization, disclosures required for a government compliance audit, or disclosures required by law.

Disclosures by the Plan to the Plan Sponsor

The Plan will disclose PHI to the Plan Sponsor, Vermont Housing Finance Agency, only upon receipt of a certification from the Plan Sponsor that the plan documents have been amended to incorporate the provisions of this section and that the Plan Sponsor agrees to comply with these provisions.

The Plan Sponsor agrees to:

-- not use or further disclose PHI other than as permitted or required by the Plan document or as required by law;

-- ensure that any agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI;

-- not use or disclose PHI for employment-related actions and decisions unless authorized by an individual;

-- not use or disclose PHI in connection with any other benefit or employee benefit plan of the Plan Sponsor unless authorized by an individual;

-- report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;

-- make PHI available to an individual in accordance with HIPAA's access requirements;

-- make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

-- make available the information required to provide an accounting of disclosures;

-- make internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the HHS Secretary for the purposes of determining the Plan's compliance with HIPAA; and

-- if feasible, return or destroy all PHI received from the Plan that the Plan Sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

Disclosures by Others to the Plan Sponsor

For purposes of conducting operations on behalf of the Plan, the Plan Sponsor shall be entitled to receive PHI from:

-- the Plan;

-- any business associate of the Plan;

-- any person or entity that contracts with the Plan, the Plan Sponsor, or a business associate of the Plan, to provide services to or on behalf of the Plan;

-- any health insurer, health insurance company, HMO or health clearinghouse that provides services to or on behalf of the Plan;

-- any individual with authority to direct the disclosure of PHI related to any Plan participant.

Adequate Separation Between the Plan and the Plan Sponsor Must be Maintained

In accordance with HIPAA, only the Human Resources Department Staff in the Employer's workforce of the Plan Sponsor may be given access to PHI. This employee may only have access to and use and disclose PHI for plan administration functions that the Plan Sponsor performs for the Plan.

If the Human Resources Department Staff of the Plan Sponsor's workforce does not comply with this Plan document, the Plan Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

6. Compliance with HIPAA Electronic Security Standards

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth above.

7. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

(a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.

(b) You will still be able to request reimbursement for qualifying dependent care expenses for the remainder of the Plan Year from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection and Employer contributions will be made on your behalf after you terminate. You must submit claims within 90 days after the end of the Plan Year in which termination occurs.

(c) You may elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year if you are eligible under the COBRA rules.

(1) If you elect to continue participation in the Health Flexible Spending Account, you must continue to make any required contributions to the Plan.

(2) If you elect not to continue participation in the Health Flexible Spending Account, participation will cease and no further salary redirection contributions will be contributed on your behalf.

(3) If your participation in the Health Flexible Spending Account ceases, you will be able to submit claims for health care expenses incurred prior to your date of termination. You must submit your claims within 90 days of the end of the Plan Year.

(d) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

8. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI
HIGHLY COMPENSATED AND KEY EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII
PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII
GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

Vermont Housing Finance Agency Flexible Benefit Plan is the name of the Plan.

Your Employer has assigned Plan Number 510 to your Plan.

The provisions of your restated Plan become effective on 01/01/2010. Your Plan was originally effective on 1/1/1991.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on 01/01 and ends on 12/31.

2. Employer Information

Your Employer's name, address, and identification number are:

Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401
03-0239902

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401
(802) 864-5743

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401

IX
ADDITIONAL PLAN INFORMATION

1. Your Rights Under ERISA

Plan Participants, eligible employees and all other employees of the Employer may be entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These laws provide that Participants, eligible employees and all other employees are entitled to:

(a) examine, without charge, at the Administrator's office, all Plan documents, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(b) obtain copies of all Plan documents and other Plan information upon written request to the Administrator. The Administrator may charge a reasonable fee for the copies;

(c) continue health coverage for a Participant, Spouse, or other dependents if there is a loss of coverage under the Plan as a result of a qualifying event. Employees or dependents may have to pay for such coverage; and

(d) review this summary plan description and the documents governing the plan on the rules governing COBRA continuation rights.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the best interest of you and other Plan Participants.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may request the Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrator. If you have any questions about this statement, or about your rights under ERISA or the Health Insurance Portability and Accountability Act (HIPAA) or if you need assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

2. Claims Process

You should submit all reimbursement claims during the Plan Year or its related "Grace Period" but in no event later than 90 days after the end of a Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year.

For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

In the case of a claim for medical expenses under the Health Flexible Spending Account, the following timetable for claims applies:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days
Insufficient information on the claim:	
Notification of	15 days
Response by Participant	45 days
Review of claim denial	60 days

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

(a) The specific reason or reasons for the denial;

(b) Reference to the specific Plan provisions on which the denial was based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;

(d) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under section 502 of ERISA following a denial on review;

(e) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and

(f) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When you receive a denial, you will have 180 days following receipt of the notification in which to appeal the decision. You may submit written comments, documents, records, and other information relating to the claim. If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a claim if it:

(a) was relied upon in making the claim determination;

(b) was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;

(c) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

(d) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

3. Qualified Medical Child Support Order

A medical child support order is a judgment, decree or order (including approval of a property settlement) made under state law that provides for child support or health coverage for the child of a participant. The child becomes an "alternate recipient" and can receive benefits under the health plans of the Employer, if the order is determined to be "qualified." You may obtain, without charge, a copy of the procedures governing the determination of qualified medical child support orders from the Plan Administrator.

X
CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

(a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the

Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

(b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

(a) The death of a covered Employee.

(b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.

(c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.

(d) A covered Employee's enrollment in any part of the Medicare program.

(e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993 ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

You should take into account that a failure to continue your group health coverage will affect your rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied by other group health plans if there is more than a 63-day gap in health coverage and election of COBRA continuation coverage may help you avoid such a gap. Second, if you do not elect COBRA continuation coverage and pay the appropriate premiums for the maximum time available to you, you will lose the right to convert to an individual health insurance policy, which does not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law (HIPAA). You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within 30 days after Plan coverage ends due to a Qualifying Event listed above. You will also have the same special right at the end of COBRA continuation coverage if you get COBRA continuation coverage for the maximum time available to you.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin not later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information.

The Trade Act of 2002 also created a new tax credit for certain TAA-eligible individuals and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Consumer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

(a) the end of employment or reduction of hours of employment,

(b) death of the employee,

(c) commencement of a proceeding in bankruptcy with respect to the Employer, or

(d) enrollment of the employee in any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement.**

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

(a) The last day of the applicable maximum coverage period.

(b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.

(c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.

(d) The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.

(e) The date, after the date of the election, that the Qualified Beneficiary first enrolls in the Medicare program (either part A or part B, whichever occurs earlier).

(f) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:

(1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or

(2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

(a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:

(1) 36 months after the date the covered Employee becomes enrolled in the Medicare program; or

(2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying

Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of $50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. What are the new COBRA provisions under the American Recovery and Reinvestment Act of 2009 (ARRA)?

The 2009 American Recovery and Reinvestment Act (ARRA) provides for a reduction of COBRA premiums for group health plans other than health flexible spending accounts. If you are an "assistance eligible individual," there will be a 65% reduction in your COBRA premiums for up to nine months. An "assistance eligible individual" is a qualified beneficiary who:

(a) Becomes eligible for COBRA coverage at any time during the period beginning September 1, 2008 and ending on December 31, 2009 unless extended by legislation and:
   (1) Elected coverage during the original COBRA election period; or
   (2) Elects COBRA within 60 days of receiving the additional COBRA election notice described below; AND

(b) The COBRA qualifying event is the employee's involuntary termination during the period of September 1, 2008 to December 1, 2009 unless extended by legislation.

However, if you are eligible for other group health coverage, including a spouse's plan or Medicare, you are not eligible for the premium reduction. There is also no premium reduction for periods of coverage that started prior to February 17, 2009 (unless changed by legislation).

If you have already elected COBRA, you must apply for the premium reduction. You will receive a notice from the Plan describing how to apply.

If your qualifying event was an involuntary termination that occurred on or after September 1, 2008 and before February 17, 2009 (unless changed by legislation), and you either did not elect COBRA during your original COBRA election period, or you elected COBRA and then dropped the coverage, you may have the right to elect COBRA now at the reduced premium rate. You will receive an additional COBRA election notice from the Plan describing how to apply for this coverage. If this second election period applies to you and you elect COBRA within the 60 day election period, then any gap in coverage from the date of your original qualifying event and the effective date of your COBRA coverage will be disregarded for purposes of determining any pre-existing conditions limitations that may apply.

If you are determined to be eligible for the reduced premium and you become eligible for any other core group health coverage or Medicare, you MUST notify the Plan in writing. If you do not, you may be subject to a tax penalty equal to 110% of the premium reduction.

You should note that electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.

You should also know that the amount of the premium reduction is phased out for certain high income individuals. If the amount you earn for the year is more than $125,000 (or $250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. However, your waiver is irrevocable and permanent, which may affect your ability to claim the premium reduction in the next tax year. For more information, consult your tax preparer or visit the IRS webpage on ARRA at
http://www.irs.gov/newsroom/article/0,,id=204505,00.html

If you request to be treated as an assistance eligible individual and are denied this treatment, you have a right to appeal to the Department of Labor.

19. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money than you have taken out in claims. For example, if you elected to contribute an annual amount of $500 and, at the time you terminate employment, you have contributed $300 but only claimed $150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the $500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

XI
SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

VERMONT HOUSING FINANCE AGENCY FLEXIBLE BENEFIT PLAN

RESTATED EFFECTIVE: JANUARY 1, 2010

TABLE OF CONTENTS

ARTICLE V
PARTICIPANT ELECTIONS

ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT

ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

ARTICLE VIII
ERISA PROVISIONS

VERMONT HOUSING FINANCE AGENCY FLEXIBLE BENEFIT PLAN

INTRODUCTION

The Employer has restated this Plan effective 01/01/2010, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on 1/1/1991. The Plan shall be known as Vermont Housing Finance Agency Flexible Benefit Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

ARTICLE I
DEFINITIONS

1.1 **"Administrator"** means the individual(s) or corporation appointed by the Employer to carry out the administration of the Plan. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan. In the event the Administrator has not been appointed, or resigns from a prior appointment, the Employer shall be deemed to be the Administrator.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit"** or **"Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of that Contract or under Code Section 152 (as modified by Code Section 105(b)). Any child of a Plan Participant who is determined to be an alternate recipient under a qualified medical child support order under ERISA Sec. 609 shall be considered a Dependent under this Plan.

The Plan's definition of "Dependent" for purposes of an account or arrangement subject to Code Section 105(h) is amended by the addition of the following:

The requirement that a Dependent child have full-time student status in order to extend coverage past a stated age will generally not apply if the child's failure to maintain full-time status is due to a medically necessary leave of absence or other change in enrollment (such as reduction of hours). If the child's treating physician certifies in writing that the child is suffering from a serious illness or injury, and that the leave of absence or other change in enrollment is medically necessary, coverage may continue for up to a year after the date the medically necessary leave of absence or other change in enrollment begins. To be eligible for the extension, the child must be enrolled in the Plan as a full-time student immediately before the first day of the medically necessary leave of absence. This extension of coverage continues to apply if the manner of providing coverage under the Plan changes (such as from self-funded to fully insured) if the changed coverage continues to provide coverage for dependent children. However, this extension does not extend coverage beyond the date that a child fails to meet the dependent eligibility requirements other than the requirement to be a full-time student.

Except for a student who is on a medically necessary leave of absence, full-time student coverage continues between semester/quarters only if the student is enrolled as a full-time student in the next regular semester/quarter. If the student is not enrolled as a full-time student, coverage will be terminated retroactively to the last day of the attended school term.

Notwithstanding anything in the Plan to the contrary, the Plan will comply with Michelle's Law.

1.8 **"Effective Date"** means 1/1/1991.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

However, any Employee who works, or is expected to work on a regular basis, less than 20 hours a week, shall not be eligible to participate in the Plan.

However, any Employee who is a "temporary" employee shall not be eligible to participate in the Plan.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Vermont Housing Finance Agency and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Employer Contribution"** means the contributions made by the Employer pursuant to Section 3.1 to enable a Participant to purchase Benefits. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V and as set forth in Section 3.1.

1.14 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.15 **"Grace Period"** means for the Plan Year beginning 1/1/10, amounts remaining in a Participant's Health Flexible Spending Account at the end of a Plan Year (12/31) can be used to reimburse the Participant for Medical Expenses that are incurred during the period that begins immediately following the close of that Plan Year (12/31) and ends the day that is two months (2/28 or 2/29) following the close of that Plan Year.

1.16 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.17 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.18 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.19 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.20 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.21 **"Plan"** means this instrument, including all amendments thereto.

1.22 **"Plan Year"** means the 12-month period beginning 01/01 and ending 12/31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.23 **"Premium Expenses"** or **"Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.24 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant shall be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.25 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.2. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.26 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.27 **"Spouse"** means "spouse" as defined in an Insurance Contract for purposes of that Contract or the legally married husband or wife of a Participant, unless legally separated by court decree.

ARTICLE II
PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of his date of employment (or the Effective Date of the Plan, if later). However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the month coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate and election of benefits form which the Administrator shall furnish to the Employee. The election made on such form shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to execute a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

(a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.6;

(b) **Change in employment status.** The end of the Plan Year during which the Participant became a limited Participant because of a change in employment status pursuant to Section 2.5;

(c) **Death.** The Participant's death, subject to the provisions of Section 2.7; or

(d) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be eligible to participate because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, and, except as otherwise provided herein, all further Benefit elections shall cease, subject to the limited Participant's right to continue coverage under any Insurance Contracts. However, any balances in the limited Participant's Dependent Care Flexible Spending Account may be used during such Plan Year to reimburse the limited Participant for any allowable Employment-Related Dependent Care incurred during the Plan Year. Subject to the provisions of Section 2.6, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.

(b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 90 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(c) **Health FSA.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

(1) If the Participant is eligible under the COBRA rules and elects to continue participation in the Health Flexible Spending Account for the remainder of the Plan Year and the related "Grace Period" in which termination occurs, the Participant may continue to seek reimbursement from the Health Flexible Spending Account for expenses incurred during the Plan Year and related "Grace Period." The Participant shall be required to make contributions to the account based on the elections made prior to the beginning of the Plan Year.

(2) If the Participant does not elect to continue participation in the Health Flexible Spending Account for the remainder of the Plan Year in which such termination occurs, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for expenses incurred during the portion of the Plan Year preceding his date of termination and must be submitted within 90 days after the end of the Plan Year.

(d) **Employer Contributions.** With regard to Employer Contributions, all Employer Contributions will cease as of the date of termination.

2.7 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III
CONTRIBUTIONS TO THE PLAN

3.1 EMPLOYER CONTRIBUTION

The Employer may make available to each Participant who has other medical coverage and who opts out of the Employer's group medical plan an Employer Contribution to be used for any Benefit under the Plan in an amount to be determined by the Employer prior to the beginning of each Plan Year and announced during open enrollment. The Employer's Contribution shall be made on a pro rata basis for each pay period of the Participant. Employee must provide proof of outside coverage. If the cash benefit is elected, it will be considered taxable.

3.2 SALARY REDIRECTION

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.3 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Employer Contribution and Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.4 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV
BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

(1) Health Flexible Spending Account

(2) Dependent Care Flexible Spending Account

(3) Cash Benefit

In addition, each Participant shall have a sufficient portion of his Employer Contributions and Salary Redirections applied to the following Benefits unless the Participant elects not to receive such Benefits:

(4) Health Insurance Benefit

(5) Dental Insurance Benefit (if applicable)

(6) Vision Insurance Benefit (if included with health insurance premium)

(7) Cash Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 DENTAL INSURANCE BENEFIT (IF APPLICABLE)

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be incorporated herein by reference.

4.6 VISION INSURANCE BENEFIT (IF INCLUDED WITH HEALTH INSURANCE PREMIUM)

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

4.7 CASH BENEFIT

If a Participant elects not to participate in the Plan, such Participant shall be deemed to have chosen the Cash Benefit as his sole Benefit option.

4.8 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reduce contributions or non-taxable Benefits, it shall be done in the following manner. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has the highest amount of non-taxable Benefits for the Plan Year shall have his non-taxable Benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among insured Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V
PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which spending account Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply (Health Flexible Spending Account and/or Dependent Care Flexible Spending Account), any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

To the extent an Employee otherwise qualifies for an Employer Contribution, but fails to complete a new benefits election form, such employee shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Employer Contributions shall therefore be authorized or made for the upcoming Plan Year for such medical benefits. A Participant must provide proof of outside medical coverage at least once a year on a form that the Employer provides to qualify for the opt out benefit.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

Assuming that the general consistency requirement is satisfied, a requested election change must also satisfy the following specific consistency requirements in order for a Participant to be able to alter his or her election based on the specified Change in Status.

For a Change in Status in which a participant or his or her Spouse or Dependent gains eligibility for coverage under a cafeteria plan or qualified benefit plan of the employer of the Participant's Spouse or Dependent as a result of a change in marital status or a change in employment status, a Participant may elect to cease or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the Spouse's or Dependent's employer's plan. The Plan Administrator may rely on a Participant's certification that the Participant has obtained or will obtain coverage under the Spouse's or Dependent's employer's plan, unless the Plan Administrator has reason to believe that the Participant's certification is incorrect.

For a Change in Status involving a Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent's ceasing to satisfy the eligibility requirements for coverage, a Participant may only elect to cancel accident or health insurance coverage for (a) the Spouse involved in the divorce, annulment, or legal separation; (b) the deceased Spouse or Dependent; or (c) the Dependent that ceased to satisfy the eligibility requirements. Canceling coverage for any other individual under these circumstances would fail to correspond with that Change in Status.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

(1) Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;

(2) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(3) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;

(4) Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Special enrollment rights under SCHIP.** The Plan is amended to allow for special enrollment rights in the event a Participant or his or her eligible Dependent (1) loses coverage under Medicaid or state child health program, or (2) becomes eligible for state assistance with respect to paying his or her contributions to the Plan, as follows:

(1) A Participant may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(d) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(e) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(f) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(g) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(h) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(i) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(j) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(k) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(l) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible

Spending Account as a result of a cost or coverage change under any health insurance benefits.

Written notification must be provided to the Plan Administrator within thirty (30) days of the event that caused a change in status.

ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

(1) one of the 5 highest paid officers;

(2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or

(3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) (including, for example, amounts for certain hospital, doctor and dental bills, and medicines and drugs whether purchased by prescription or over-the-counter) and as allowed under Code Section 105 and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. Expenses must be for treatment of an existing disease or to prevent a disease that is likely to occur if the medication is not taken. They do not include toiletries and cosmetics, vitamins and dietary supplements or herbal remedies. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year plus the "Grace Period" (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, no more than $2,500 may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code

Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents shall be reimbursed during the Plan Year subject to Section 2.6, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year or its related "Grace Period." Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the

Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **"Grace Period".** Notwithstanding anything in this Section to the contrary, Medical Expenses incurred during the "Grace Period", up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the "Grace Period" relates.

(e) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year or its related "Grace Period" shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

(f) **Claims for reimbursement.** All claims for reimbursement under the Health Flexible Spending Account will be paid in the order in which they are approved. Once paid, a claim will not be reprocessed or otherwise recharacterized solely for the purpose of paying it (or treating it as paid) from amounts attributable to a different Plan Year or Period of coverage. It will be up to the Participant to submit for any balance for a different Plan Year.

ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or $5,000 ($2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

(a) The Dependent or Dependents for whom the services were performed;

(b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;

(c) The relationship, if any, of the person performing the services to the Participant;

(d) If the services are being performed by a child of the Participant, the age of the child;

(e) A statement as to where the services were performed;

(f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;

(g) If the services were being performed in a day care center, a statement:

(1) that the day care center complies with all applicable laws and regulations of the state of residence,

(2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and

(3) of the amount of fee paid to the provider.

(h) If the Participant is married, a statement containing the following:

(1) the Spouse's salary or wages if he or she is employed, or

(2) if the Participant's Spouse is not employed, that

(i) he or she is incapacitated, or

(ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

ARTICLE VIII
ERISA PROVISIONS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account Benefits shall be made to the Administrator. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

(1) specific references to the pertinent Plan provisions on which the denial is based;

(2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and

(3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

(1) request a review upon written notice to the Administrator;

(2) review pertinent documents; and

(3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Health FSA claims.** If a Participant fails to submit a claim under the Health Flexible Spending Account within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. Once a claim is submitted, the following timetable for claims and rules below apply:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days
Insufficient information on the Claim:	
Notification of	15 days
Response by Participant	45 days
Review of claim denial	60 days

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

(1) The specific reason or reasons for the denial.

(2) Reference to the specific Plan provisions on which the denial was based.

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(4) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of the right to bring a civil action under Section 502 of ERISA following a denial on review.

(5) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

(6) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion

will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When the Participant receives a denial, the Participant shall have 180 days following receipt of the notification in which to appeal the decision. The Participant may submit written comments, documents, records, and other information relating to the Claim. If the Participant requests, the Participant shall be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

(1) was relied upon in making the claim determination;

(2) was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;

(3) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

(4) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

(f) **Forfeitures.** Any balance remaining in the Participant's Dependent Care Flexible Spending Account or Health Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and "Grace Period" (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

(g) Any prior Plan Year Health Flexible Spending Account Amount that remain after all reimbursements have been made for the Plan Year and its related "Grace Period" shall not be carried over to reimburse the Participant for expenses incurred in any subsequent period.

(h) All claims for reimbursement under the Health Flexible Spending Account will be paid in the order in which they are approved. Once paid, a claim will not be reprocessed or otherwise recharacterized solely for the purpose of paying it (or treating it as paid) from amounts attributable to a different Plan Year or Period of Coverage. It will be up to the Participant to submit for any balance for a different Plan Year.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year, (except for during the "Grace Period", if applicable) for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan.

8.3 NAMED FIDUCIARY

The Administrator shall be the named fiduciary pursuant to ERISA Section 402 and shall be responsible for the management and control of the operation and administration of the Plan.

8.4 GENERAL FIDUCIARY RESPONSIBILITIES

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect to this Plan solely in the interest of the Participants and their beneficiaries and

(a) for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

(c) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

8.5 NONASSIGNABILITY OF RIGHTS

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

ARTICLE IX
ADMINISTRATION

9.1 PLAN ADMINISTRATION

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan;

(f) To approve reimbursement requests and to authorize the payment of benefits;

(g) To establish and communicate procedures to determine whether a medical child support order is qualified under ERISA Section 609; and

(h) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X
AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer is establishing this Plan with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI
MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Vermont.

11.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. If during the Plan Year, the Employer employs fewer than twenty (20) employees on a typical business day, this Section shall not apply.

The Plan's provisions concerning COBRA are amended as provided below to allow for (1) payment of reduced premiums and the provision of a second election period by certain COBRA qualified beneficiaries, (2) the provision for additional COBRA notices, and (3) an exception to the rules for crediting certain prior coverage. This amendment does not apply to a health flexible spending account.

The COBRA continuation coverage provisions of the Plan shall be administered in accordance with the requirements of ARRA Section 3001 with respect to "assistance eligible individuals," as defined in ARRA Section 3001(a)(3). Notwithstanding any other Plan provision to the contrary, the Plan shall determine whether an individual has had a 63-day break in coverage for purposes of determining creditable coverage under the Health Insurance Portability and Accountability Act (HIPAA), in accordance with the terms of ARRA Section 3001.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.17 UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 GENETIC INFORMATION NONDISCRIMINATION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.19 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If the Health Flexible Spending Account under this Cafeteria Plan is subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to the Human Resources Department Staff of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to the Human Resources Department Staff of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to the Human Resources Department Staff of the Employer's workforce, who is authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) The Human Resources Department Staff, authorized members of the Employer's workforce, who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that the Human Resources Department Staff of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy officer. The privacy officer shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

(9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(10) Ensure the adequate separation between the Plan and the Human Resources Department Staff, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out above.

11.20 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.19.

IN WITNESS WHEREOF, this Plan document is hereby executed this __________ day of ________________________.

Vermont Housing Finance Agency

By________________________
EMPLOYER

Vermont Housing Finance Agency

RESOLUTION RE: AMENDED AND RESTATED FLEXIBLE BENEFIT PLAN

WHEREAS, the Vermont Housing Finance Agency (the "Employer") has previously established a Cafeteria Plan within the meaning of Section 125 of the Internal Revenue Code, as amended from time to time, to provide certain benefits to its Employees (the "Plan"); and

WHEREAS, the Employer wishes to adopt an amended and restated Plan;

NOW, THEREFORE, be it RESOLVED that:

1. The form of amended Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account, effective 01/01/2010 (the "Restated Plan"), presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Restated Plan.

2. The Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Restated Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Restated Plan.

3. The duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Restated Plan by delivering to each employee a copy of the summary description of the Restated Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

VHFA Board of Commissioners Meeting Minutes

Agency of Commerce and Community Development
Calvin Coolidge Conference Room
National Life Building, 6th Floor, Montpelier
Monday, February 8, 2010 at 9:00 a.m.

VHFA Board Member Present:

Tom Pelletier (Chair), Rob Alberts, Dagyne Canney, Lisa Randall, Bart Frisbie, Kevin Dorn, Beth Pearce, Tom Candon, Gus Seelig

Staff Present:

Dave Adams, Sarah Carpenter, Tom Connors, George Demas, Maura Collins, Martha Panton, Pat Loller, Scott Baker, Tim Gutchell, Scott Baker

Guests Present:

Jeff Sula (Bank of America Merrill Lynch)

BOARD MEETING

Mr. Pelletier called the Board meeting to order at 9:12 a.m.

BOARD MINUTES

Mr. Frisbie moved that the Board approve the January 11, 2010 Board of Commissioners meeting minutes. Mr. Alberts seconded the motion, which was approved by all members except Mr. Candon and Mr. Seelig, who abstained.

CONSENT AGENDA

Mr. Seelig moved that the Board approve the Consent Agenda as presented. Mr. Candon seconded the motion, which was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Ms. Carpenter reviewed the Executive Director's report. She informed the Board that the Agency was in the middle of implementing Server Virtualization and it is going well. Multi-Family staff is working on year end project financial information gathering and analysis. She informed the Board that the Agency received a favorable ruling from HUD in regard to setting rents at Highgate Apartments, which should also apply with respect to Northgate and Applegate. She told the Board that there is no news in regard to the Abenaki Acres project at this time.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

Ms. Canney asked for details regarding Universal Mortgage's volume of business. Ms. Crady explained that Universal Mortgage used to be a larger producer when VHFA was able to price more competitively and either securitize or sell RD loans at the FNMA Cash Window. Pricing issues required VHFA to stop accepting RD guarantee loans for several months. During that time Universal and other VHFA lenders found other investors to buy their RD Guaranteed Loans. Recent pricing has enabled VFHA to re-enter the market for RD loans, but the Agency needs to work with those lenders who have sold the RD loans away from VHFA to re-establish ties.

HOMEOWNERSHIP

Mobile Home Loans

Mr. Adams reviewed his Mobile Home Loan memo, which detailed the requested additional information from the December Board meeting.

Ms. Randall asked if staff can tell patrons calling regarding mobile home loans to check with their community banks. Ms. Crady explained that staff already does that.

Ms. Canney expressed concern with the findings regarding the age of mobile homes. Mr. Adams explained that the age of the mobile home can be considered on a case by case basis.

Mr. Adams explained that loan volume for qualifying mobile homes is low with only 4 loans in the past year. At that level, this is a non-issue. However, if mobile home lending activity increases, and the Agency adds more mobile home loans to its whole loan portfolio, there is concern that VHFA the rating agencies requirements to meet the cash loan loss reserves, estimated at 35% for mobile home loans, may be prohibitive without a source of subsidy.

Mr. Adams explained that staff's recommendation regarding mobile home loans has not changed since December. That being: to suspend mobile home lending except for mobile homes currently financed by VHFA. Staff understands the importance of mobile home loans to Vermonters, but the Agency cannot sustain an ongoing mobile home program without recycled funds or another source of whole loan capital; or more involvement by the federal secondary market or insurance programs. The whole loan funds we do have are needed to insure mobile homes currently financed by VHFA.

Mr. Seelig asked Mr. Adams to follow up with VCLF and NWWVT regarding programs and funding they have available for mobile homes. Mr. Seelig also asked that the mobile home loan program be revisited at the fall Board retreat.

Ms. Randall concurred with the need to manage VHFA's own portfolio.

Ms. Canney said that she prefers no motion be made at this time. Mr. Candon and Ms. Pearce agreed. Mr. Pelletier explained that we do not need a motion to keep the program status quo and asked if there would be any adverse effects if this was done. Mr. Adams discussed comments as noted above and added that any expansion of the mobile home portfolio beyond current levels under our current lending guidelines, would increase the concentration of risk we have with MGIC (the only MI company willing to insure mobile homes), and could create additional stress in the eyes of the rating agencies on our required cash reserves. It was undetermined as to what additional volume would trigger an adverse event. Mr. Adams expressed concern even if there was a marginal increase in new volume, and when the current funds from recycling of loan repayments was exhausted; funding of any mobile home loans would be unavailable. Ms. Carpenter commented that there could be more mobile home lending if there was source of loan loss subsidy or loan guarantee from state or federal government.

Mr. Alberts moved that the Agency only do whole loans on mobile homes that currently have a VHFA loan. Ms. Randall seconded the motion. Mr. Seelig amended the motion to revisit the topic at the Fall Board Retreat. Mr. Alberts and Ms. Randall accepted the amendment, and the motion, as amended, was approved by all board members, except Ms. Canney, Mr. Candon, and Ms. Pearce, who voted no.

Single Family Program

Mr. Adams discussed the fees and rates regarding the Fannie Mae Affinity with the Board. He informed the Board that the pricing made available to the Agency from the Treasury Bonds in conjunction with Fannie Mae's Affinity III Program is such that VHFA would not be competitive with conventional rates unless VHFA was willing to accept a very low spread on the loans. An Affinity III contract for 2010 has not been signed yet pending further review and discussion by staff. VHFA can go out with this initial, marginal pricing structure to re-enter the market, which hopes that the spread can be improved if conventional rates begin to rise.

Mr. Candon asked staff to comment on delinquencies and foreclosures. Ms. Crady said that delinquencies were up in January, but 28 payments came in on February 1st. Staff is hopeful that tax refunds will help delinquent customers catch up.

FINANCE

Financial Update

Mr. Connors provided a few highlights from the Audit Risk meeting earlier in the day.

ADMINISTRATION

Tiger Team Discussion

Mr. Pelletier reported that that he met with Tayt Brooks Department of Economic Housing and Community Development and Tom Pelham of the Department of Administration on January 29th. The Governor's charge to Mr. Brooks was to complete a comprehensive analysis of the delivery affordable housing in Vermont by September 1, 2010. Mr. Brooks is to have assistance from Mr. Mark Wetmiller, who would act as an unpaid consultant. Mr. Pelletier agreed to support the analysis process and stated that Mr. Brooks and Mr. Pelham indicated an interest in meeting with the VHFA Board at the March meeting.

Ms. Randall asked if VHFA would have to act on recommendations since the Agency is not State funded. Mr. Pelletier responded that he agreed only to do the analysis, there was no discussion regarding follow through.

Mr. Candon reported that he, Ms. Pearce and Mr. Dorn had also met with Mr. Brooks and Mr. Pelham. He stated that they had informed the two that any changes to the Agency's structure would not only affect workings within the Agency, but also the outstanding bond issues; therefore, the team would need to take care in developing any recommendations that would significantly impact the Agency.

Mr. Seelig explained that the Tiger Team report raises two questions. One, being are there better ways of doing business. The second, being will the findings of the report hold up under scrutiny after filling in the details.

Ms. Canney asked how the VHFA Board can participate in the study when so many members are a part of affected organizations. Ms. Carpenter explained that one of the roles of an ex-officio on the Board is to do ongoing review of the various interagency relationships among the different agencies, but that in the event of a direct conflict, a member could recuse himself or herself.

Mr. Frisbie asked what the next steps would be. Mr. Pelletier said that we should learn that in March after meeting with Mr. Brooks and Mr. Pelham.

Retreat Follow Up
Ms. Collins handed out and reviewed an update on items the Board prioritized as action items for staff to consider as part of the 2009 Strategic Planning Retreat. Ms. Pearce recommended a model for Risk Assessment (Committee of Sponsoring Organizations) to staff and Ms. Collins agreed to look into it.

OTHER BUSINESS

Housing Needs Assessment
Ms. Collins reviewed the findings of the 2009 Housing Needs Assessment with the Board.

Legislative Update
Ms. Carpenter reviewed the Legislative Update sent to the Board via e-mail prior to the meeting.

Mr. Seelig commented that HUD is becoming more urban oriented which is affecting Vermont and other rural areas. VHFA should keep watch of this.

Mr. Seelig moved that the Board adjourn the meeting. Ms. Canney seconded the motion, which was unanimously approved.

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: George N. Demas, General Counsel

RE: Annual Meeting

DATE: March 15, 2010 for the March 22, 2010 Board Meeting

Recommended Board Action: To adopt the attached resolution

As required by the Agency's Bylaws, the March 22, 2010 meeting will be considered the Agency's annual meeting. Each year the Board adopts a resolution in the form attached to accomplish the following:

1. Elect a Vice Chair;
2. Confirm CFO as the Treasurer;
3. Ratify the actions of the Agency's officers over the prior year;
4. Make any necessary changes to the Agency's organizational documents;
5. Confirm the Agency financial authorizations; and
6. Make any new authorizations.

The attached resolution for this year outlines the necessary actions to be taken at this year's annual meeting.

RESOLUTIONS ADOPTED AT THE ANNUAL MEETING OF VERMONT HOUSING FINANCE AGENCY, MARCH 22, 2010

RESOLVED, Gustave Seelig is hereby elected to serve as Vice Chair of the Agency until his successor is elected and qualified.

RESOLVED, Thomas R. Connors is hereby elected to serve as Treasurer of the Agency until his successor is elected and qualified.

RESOLVED, that any and all prior actions of the officers of the Agency since the last annual meeting are hereby authorized, ratified and confirmed.

RESOLVED, that the Chief Financial Officer and Treasurer has authority to delegate financial activities as he deems appropriate, including requisitions from the Agency's financial institutions, to qualified finance staff, with appropriate controls.

RESOLVED, the following persons shall be authorized to sign checks drawn against any of the Agency's accounts:

Executive Director ______________________________
(Signature)
Sarah E. Carpenter

Chief Financial Officer ______________________________
(Signature)
Thomas R. Connors

Director of Administration ______________________________
(Signature)
Patricia M. Loller

Chief of Program Operations ______________________________
(Signature)
David S. Adams

Controller ______________________________
(Signature)
Timothy M. Gutchell

Any check in an amount over $10,000 payable against any of the Agency's accounts must be signed by at least two of the foregoing persons. Any payroll check shall be valid and negotiable when signed by any one of the foregoing persons.

RESOLVED, that the following employees of Vermont Housing Finance Agency are hereby authorized to have access to all safekeeping vault boxes of the Agency for the purposes of safekeeping and retrieving any and all books, papers and documents of the Agency:

Chief Financial Officer ______________________________
(Signature)
Thomas R. Connors

Controller ______________________________
(Signature)
Timothy M. Gutchell

Loan Portfolio Specialist ______________________________
(Signature)
Martha G. Fleming

Senior Financial Analyst ______________________________
(Signature)
Lisa C. Clark

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer TJC

RE: **Renewal of Existing TD Bank Lines of Credit**

DATE: March 17, 2010 for March 22, 2010 Board Meeting

Board Action Requested: Adoption of the attached resolutions

The Agency currently has two revolving lines of credit with TD Bank that will expire on April 12, 2010. These include the Working Capital Line of Credit and the Construction Line of Credit. These lines were last renewed on April 16, 2008. Staff is requesting the renewal of both lines.

The Working Capital Line of Credit is used to fund predevelopment and other related costs as well as for general working capital purposes. The Agency is requesting an increase in the amount from $5 million to $10 million. (Over the past ten years, the Board has approved changes in the amount of this line, with a high of $12.5 million approved on July 10, 2008.)

The Construction Line of Credit is used for short-term construction loans. The Agency is requesting an increase in the amount from $12.5 million to $15 million.

Attached to each Resolution are the proposed term sheets from TD Bank.

Attached to this memo is a summary of the Agency's existing and potential debt under the lines of credit with TD Bank, KeyBank and Citizens Bank, provided to the Board annually.

Summary of Lines of Credit with TD Bank, KeyBank and Citizens

as proposed - March 2010

Working Capital Lines of Credit		Maximum Credit Amount	Outstanding Balance[1]		Available to Draw
TD Bank		10,000,000	3,411,193		6,588,807
KeyBank		10,000,000	-		10,000,000
Total - Working Capital Lines		20,000,000	3,411,193		16,588,807

Construction/Warehousing Lines of Credit		Maximum Credit Amount	Outstanding Balance[1]	Available to Draw (Current Projects)	Available to Draw (Future Projects)
TD Bank	Revolving - all projects	15,000,000	5,171,213	5,251,178	4,577,609
KeyBank	2008 projects	925,000	818,895	105,958	-
	2009 projects	17,400,000	11,129,378	6,270,622	-
	2010 projects	30,000,000	-	-	30,000,000
	2010 Warehousing	30,000,000	-	-	30,000,000
Total - Construction/Warehousing Lines		93,325,000	17,119,486	11,627,758	64,577,609

MacArthur Blend Line of Credit[2]					
Citizens Bank	Not closed	4,000,000			

[1] As of 3/16/10

[2] This line will complement the $2 million MacArthur Foundation loan, which has a rate of 2%. MacArthur funds must be used for preservation, rehabilitation, and energy improvements to existing affordable multifamily housing projects. VHFA will provide Energy, Predevelopment and Equity Bridge Loans.

Vermont Housing Finance Agency

RESOLUTION RE: TD BANK, N.A. WORKING CAPITAL LINE OF CREDIT BORROWING

WHEREAS, the Agency has an existing line of credit with TD Bank, N. A. in the amount of $5,000,000, most recently renewed on April 16, 2008 and decreased by resolution dated February 9, 2009 ("Working Capital Line of Credit"); and

WHEREAS, the Agency wishes to modify the Working Capital Line of Credit by extending it for two years and amending its terms in accordance with the terms presented at the meeting, including increasing the amount to $10,000,000; and

WHEREAS, the Agency wishes to authorize the Executive Director and the Chief Financial Officer in their capacities as Secretary and Treasurer of the Agency, respectively, to take all actions necessary, including the execution of documents, to extend and amend the Working Capital Line of Credit and to extend and/or renew the Working Capital Line of Credit at the same or better terms in the future;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. That the Agency hereby approves the change in terms and extension of the Working Capital Line of Credit; and

2. That the Agency hereby authorizes the Executive Director and the Chief Financial Officer, individually, in their capacities as Secretary and Treasurer of the Agency, respectively, to take all actions necessary, including the execution and delivery of any and all necessary documents, to amend and extend the Working Capital Line of Credit and to extend and/or renew the Working Capital Line of Credit at similar or better terms in the future.

3. That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such line of credit facility, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees.

TD Bank, N.A.

TERMS AND CONDITIONS OF LOAN dated March 17, 2010

1. Loan.

(a)	Borrower(s):	Vermont Housing Finance Agency (VHFA)
(b)	Maximum Credit Amount:	$10 Million
(c)	Type of Credit:	Working Capital Line of Credit
(d)	Expiration Date:	April 12, 2012
(e)	Purpose of Loan:	Renewal and increase of Borrower's existing $5 million working capital line of credit (CL#15214 #003) to $10 million.
(f)	Interest Rate:	The loan shall bear interest at a per annum rate equal to 1.10% above the one month London Interbank Offered Rate ("LIBOR"). LIBOR (London Interbank Offered Rate) means the rate of interest in U.S. Dollars (rounded upwards, at the Bank's option, to the next 100th of one percent) equal to the British Bankers' Association LIBOR ("BBA LIBOR") for the equivalent Interest Period as published by Bloomberg (or such other commercially available source providing quotations of BBA LIBOR as designated by Bank from time to time) at approximately 11:00 A.M. (London time) 2 London Banking Days prior to the Reset Date; provided however, if more than one BBA LIBOR is specified, the applicable rate shall be the arithmetic mean of all such rates. London Banking Days means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England. If, for any reason, such rate is not available, the term LIBOR shall mean, with respect to any Interest Period, the rate of interest per annum determined by Bank to be the average rate per annum at which deposits in dollars are offered for such Interest Period by major banks in London, England at approximately 11:00 A.M. (London time) 2 London Banking Days prior to the Reset Date. The interest rate on this loan is limited by a floor as follows: the minimum interest rate (i.e. floor) is 3%. per annum.
(g)	Late Charges:	If any payment due the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the

overdue payment shall be assessed.

(h) Payments: Consecutive monthly payments of accrued unpaid interest on the outstanding principal balance as of the monthly statement date. Borrower's final payment due on the Maturity Date will be for all principal, accrued unpaid interest and all other applicable fees and expenses if any, not yet paid.

2. Fees and Expenses.

The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the loan.

Additionally, Borrower shall pay to the Bank an "Unused Line Fee" in the form of additional interest on that portion of the loan amount (i.e, the maximum principal amount) that on each day is not outstanding ("Unused Portion"), which interest shall accrue daily by multiplying the Unused Portion on each day by a per diem rate equal to 0.25% divided by 360. The Unused Line Fee shall be due and payable quarterly in arrears.

3. Collateral. The facility will be unsecured.

4. Legal Opinions. Prior to closing, there shall be delivered to the Bank an opinion of Borrower's counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) Borrower are duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower and the guarantors, if any and (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements.

5. Financial Reporting.

Borrower(s) shall furnish the following financial reports:

Type of Report(s)	Frequency	Due Date
Financial Statements – Audited	Annually	Within 120 days after end of fiscal year.
Interim Financial Statements – Management Prepared	12/31	Within 90 days of calendar year end
Annual Budget – Management	Annually	Within 120 days after end of fiscal year

In addition, Borrower(s) shall furnish to the Bank such other reports as shall be required in the loan documents.

6. Financial Covenants.

Borrower covenants and agrees that while this facility is in effect, Borrower will maintain a level of (i) annual revenue (without regard to increases or decreases in fair market value of Borrower's investments) which equals or exceeds (ii) Borrower's annual expenses (exclusive of extraordinary one-time expenses), measured on an annual basis as of the Borrower's fiscal year end.

Borrower shall maintain a minimum issuer rating of upper medium grade as defined by Moody's Investor Service. Moody's defines upper median grade as A1, A2 or A3.

7. Other Conditions:

Due to the statutory formation of the Borrower, entity status searches providing corporate formation information and good standing are not applicable. As such, the legal opinion delivered by the Borrower's legal counsel pursuant to Section 4 shall also opine that the Borrower is a body politic and corporate and public instrumentality of the State of Vermont, duly organized, validly existing and in good standing under the laws of the State of Vermont, and has the power to enter into the transactions contemplated by the loan documents.

Vermont Housing Finance Agency

RESOLUTION RE: TD BANK, N.A. BORROWING FOR SHORT-TERM CONSTRUCTION LOANS

WHEREAS, the Agency has an existing line of credit with TD Bank, N. A. in the amount of $12,500,000, most recently renewed on April 16, 2008 and decreased by resolution dated February 9, 2009 ("Construction Line of Credit"); and

WHEREAS, the Agency wishes to modify the Construction Line of Credit by extending it for two years and amending its terms in accordance with the terms presented at the meeting, including increasing the amount to $15,000,000; and

WHEREAS, the Construction Line of Credit will be used to fund loans approved by the Board of Commissioners within the outstanding authority to issue multifamily housing bonds; and

WHEREAS, the Agency wishes to authorize the Executive Director and the Chief Financial Officer in their capacities as Secretary and Treasurer of the Agency, respectively, to take all actions necessary, including the execution of documents, to extend and amend the Construction Line of Credit and to extend and/or renew the Construction Line of Credit at the same or better terms in the future;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. That the Agency hereby approves the change in terms and extension of the Construction Line of Credit; and

2. That the Agency hereby authorizes the Executive Director and the Chief Financial Officer, individually, in their capacities as Secretary and Treasurer of the Agency, respectively, to take all actions necessary, including the execution and delivery of any and all necessary documents, to amend and extend the Construction Line of Credit and to extend and/or renew the Construction Line of Credit at similar or better terms in the future and/or to secure the Construction Line of Credit by executing and delivering an Assignment of Mortgages and Other Project Loan Documents substantially in the form attached to the Business Loan Agreement as Exhibit A.

3. That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank project subnotes: Executive Director, Chief Financial Officer or Chief of Program Operations.

4. That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other

requests for advances and disbursements of funds pursuant to or in connection with such line of credit facility, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees.

TD Bank, N.A.

TERMS AND CONDITIONS OF LOAN dated March 17, 2010

1. Loan.

(a)	Borrower(s):	Vermont Housing Finance Agency (VHFA)
(b)	Maximum Credit Amount:	$15 Million
(c)	Type of Credit:	Revolving tax-exempt/taxable line of credit with a commitment of twenty four (24) months.
(d)	Expiration Date:	The proposed $15,000,000 revolving taxable/tax exempt line of credit commitment shall have an April 12, 2012 maturity. The initial draw for each project will create a project specific sub note, which will have a twenty four month maturity. Multiple advances under each specific sub note are anticipated. Partial principal reductions are allowed on each project sub note without a prepayment penalty.
(e)	Purpose of Loan:	Renewal and increase of Borrower's existing $12.5 million working capital line of credit (CL#15214 #399) to $15 million to be used for acquisition/rehabilitation/construction projects being financed by VHFA. VHFA will provide interim construction financing to non profit (and for profit) entities, which will be paid out with equity related to low income housing tax credit limited partnerships (either existing or to be formed), or other funding sources. This commitment shall be subject to a number of critical factors, including, but not limited to, 1) if applicable, the interest on such Bond being treated as "non bank qualified bank indebtedness" as generally described in Section 265(b) (3) of the Internal Revenue Code of 1986, as amended; 2) definitive documents, including a Bond Purchase Agreement, in form and substance satisfactory to the Bank and its counsel. Please note that Bond Counsel will determine whether the bond will be bank qualified or non-bank qualified.
(f)	Payments:	Interest only monthly on each project specific sub note, with principal due at maturity on each project specific sub note. The expectation being that funds to pay off each project specific sub note will come from VHFA's borrower/developer on each individual project.

(g) Late Charges: If any payment due the Bank is more than fifteen (15) days overdue, a late charge of six percent (6%) of the overdue payment shall be assessed.

(h) Interest:

Option #1 – Variable Rate of Interest

Taxable projects: The taxable rate of interest shall be LIBOR* + 1.10%, adjusted monthly.

Tax exempt projects: The tax exempt rate of interest shall be the TD Banknorth, N.A. non bank qualified tax exempt equivalent variable interest rate, which is based on the taxable rate of LIBOR* + 1.10%, (adjusted downward to reflect tax-exempt status[1]), adjusted monthly.

OR

Option #2 – Fixed Rate of Interest

Taxable projects: The taxable two year fixed rate of interest shall be based on the two year TD Bank, N.A. Cost of Funds Rate plus 1.10%.

Tax exempt projects: The two year tax exempt fixed rate of interest shall be the TD Bank, N.A. non bank qualified tax exempt equivalent fixed rate of interest based on the two year TD Bank, N.A. Cost of Funds Rate plus 1.10% (adjusted downward to reflect tax-exempt status[2]).

Please note that in the event the tax exempt status of the bond changes, whereby the tax exempt status no longer applies, will result in a change in the rate of interest equal to the taxable rate based on the two year TD Bank, N.A. Cost of Funds Rate plus 1.50%.

* LIBOR (London Interbank Offered Rate) means the rate of interest in U.S. Dollars (rounded upwards, at the Bank's option, to the next 100th of one percent) equal to the British Bankers' Association LIBOR ("BBA LIBOR") for the equivalent Interest Period as published by Bloomberg (or such other commercially available source providing quotations of BBA LIBOR as designated by Bank from time to time) at approximately 11:00 A.M. (London time) 2 London Banking Days prior to the Reset Date; provided however, if more than one BBA LIBOR is specified, the applicable rate shall be the arithmetic mean of all such rates. London Banking Days means any day

---

[1] Computed as follows: (One Month LIBOR Rate x 69%) + (Spread x 69%) = TD Bank, N.A. Tax Exempt Non Bank Qualified Equivalent Rate.

[2] Computed as follows (Two Year TD Bank Cost of Funds Rate x 69%) + (Spread x 69%) = TD BNK Tax Exempt Non Bank Qualified Equivalent Rate.

on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England. If, for any reason, such rate is not available, the term LIBOR shall mean, with respect to any Interest Period, the rate of interest per annum determined by Bank to be the average rate per annum at which deposits in dollars are offered for such Interest Period by major banks in London, England at approximately 11:00 A.M. (London time) 2 London Banking Days prior to the Reset Date.

2. Fees and Expenses.

The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in connection with the loan.

Additionally, Borrower shall pay to the Bank an "Unused Line Fee" in the form of additional interest on that portion of the loan amount (i.e, the maximum principal amount) that on each day is not outstanding ("Unused Portion"), which interest shall accrue daily by multiplying the Unused Portion on each day by a per diem rate equal to 0.25% divided by 360. The Unused Line Fee shall be due and payable quarterly in arrears.

3. Collateral. For each project, there shall be a negative pledge on all the collateral related to that project as evidenced by the loan documents (example: promissory note, mortgage, etc.).

Please note that in a default situation, the Bank, **if it so desires,** will have the right to require a formal assignment of all loan documents pertaining to project described above under Purpose and VHFA shall have an obligation to assign said loan documents

4. Legal Opinions. Prior to closing, there shall be delivered to the Bank an opinion of Borrower's counsel acceptable to the Bank covering matters customary for a transaction of this type and nature and which shall, without limitation, opine that: (1) Borrower and the guaranators, if any are duly formed; (2) all loan documents have been validly authorized and executed by and on behalf of the Borrower and the guarantors, if any; (3) all loan documents are valid, binding, enforceable in accordance with their terms and do not violate any legal requirements, including without limitation, organizational documents, laws and material agreements; and (4) the loan documents create perfected liens and security interests in the real or personal property collateral.

With each tax exempt project subnote, Borrower's counsel to provide specific language indicating that the proposed facility, and more specifically, the bond created under the facility, if applicable, will be qualified under Section 265(b)(3) of the Internal Revenue Code of 1986 as amended, meeting all Non Bank Qualified Tax Exempt requirements.

5. Financial Reporting.

Borrower(s) shall furnish the following financial reports:

Type of Report(s)	Frequency	Due Date
Financial Statements – Audited	Annually	Within 120 days after end of fiscal year.
Interim Financial Statements – Management Prepared	12/31	Within 90 days of calendar year end

Annual Budget – Management	Annually	Within 120 days after end of fiscal year

In addition, Borrower(s) shall furnish to the Bank such other reports as shall be required in the loan documents.

6. **Financial Covenants.**

Borrower covenants and agrees that while this facility is in effect, Borrower will maintain a level of (i) annual revenue (without regard to increases or decreases in fair market value of Borrower's investments) which equals or exceeds (ii) Borrower's annual expenses (exclusive of extraordinary one-time expenses), measured on an annual basis as of the Borrower's fiscal year end.

Borrower shall maintain a minimum issuer rating of upper medium grade as defined by Moody's Investor Service. Moody's defines upper median grade as A1, A2 or A3.

7. Other Conditions:

Due to the statutory formation of the Borrower, entity status searches providing corporate formation information and good standing are not applicable. As such, the legal opinion delivered by the Borrower's legal counsel pursuant to Section 4 shall also opine that the Borrower is a body politic and corporate and public instrumentality of the State of Vermont, duly organized, validly existing and in good standing under the laws of the State of Vermont, and has the power to enter into the transactions contemplated by the loan documents.

VHFA Board of Commissioners Meeting Minutes
Vermont Housing Finance Agency
Board Room, Burlington
Conference Call
Monday, March 22, 2010 at 9:00 a.m.

VHFA Board Member Present:
Tom Pelletier (Chair), Rob Alberts, Dagyne Canney, Lisa Randall, Bart Frisbie, Kevin Dorn, Beth Pearce, Tom Candon, Gus Seelig

Staff Present:
Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Scott Baker, Pat Crady, Sam Falzone, Joe Erdelyi, Renee Couture, Cindy Reid

BOARD MEETING
Mr. Pelletier called the Board meeting to order at 9:05 a.m.

BOARD MINUTES
Mr. Dorn moved that the Board approve the February 8, 2010 Board of Commissioners meeting minutes. Mr. Seelig seconded the motion. Mr. Candon asked if there would be an update at this meeting regarding the Tiger Team efforts, as outlined in the minutes. Mr. Pelletier reported that neither he nor Sarah have heard from Mr. Brooks or Mr. Pelham.

Mr. Pelletier requested that the minutes be edited to reflect his intentions regarding the Tiger Team. On page 3 the 4th sentence should read: *Mr. Pelletier, speaking for himself and not the board, agreed to support the analysis.* The 2nd sentence of the next paragraph should read: *personally agreed only to support the analysis...* Mr. Dorn and Mr. Seelig accepted the changes. The minutes, including the changes, were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT
Ms. Carpenter reviewed the Executive Directors report. She informed the Board that the U.S. Senate has passed the tax credit exchange provision similar to what the U.S. House passed. It would allow, in 2010, the exchange of some 9% credit through Treasury. Some of our 2010 developers are still struggling to get investors lined up. This would help those projects. However, little more has been done in regard to this because of health care bill. The U.S. Senate may also consider extending the exchange program to the 4% tax credit program.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

In addition, Ms. Carpenter stated that USDA RD has warned that its capacity to issue loan guarantees will end by the middle of April. Unless this program is extended by Congress it could be put on hold. The Agency relies heavily on RD insurance for its single family loan products. Ms. Carpenter has been in touch with the Vermont Congressional delegation and has received attention on the issue.

On the State level, the Rental Housing Safety Committee is making two modest recommendations. The first is that that rental properties with two to four units be identified as such in the town assessment process. Currently, they only identify properties with more than four units. Mr. Dorn said that the Administration will probably oppose a registry for rental properties because it would cause an added burden on the Tax Department and for the towns. Ms. Carpenter explained that the request is not for a registry (at this time). The request is only record the property type. This information is already obtained by most towns so it would not cause an added burden. Mr. Dorn indicated that he ask Richard Westman to review the issue. The second recommendation of the Committee is that all Basic Rental Safety and Habitability standards be put in one place.

Mr. Candon asked for clarification on the ED report regarding the Mandatory Mediation in Foreclosure bill. Mr. Candon said he thought that the bill had been amended as requested by the Agency. Ms. Carpenter stated that this amendment had not yet been made at the time she wrote her report.

ADMINISTRATION

Annual Meeting

Mr. Demas explained that the set of resolutions presented for the 2010 Annual Meeting is exactly the same as in 2009 and as has been historically presented.

Mr. Candon moved that the Board approve the six resolutions as presented by staff. Ms. Canney asked that the items be voted upon separately. Mr. Candon agreed and withdrew his motion.

Mr. Candon moved that the Board approve Mr. Seelig as the Vice Chair. Ms. Randall seconded the motion. Ms. Canney requested that this item be discussed at a face-to-face Board meeting and be tabled until the April meeting. Mr. Candon and Ms. Randall accepted Ms. Canney's request withdrawing their motion and second.

Mr. Demas explained that the Board can decide to move the Annual Meeting from March to April. He explained that the Board can vote on the other resolutions, excluding the election of the Vice Chair, during the current Board meeting. Ms. Canney moved to change the Annual Meeting from March to April for 2010. Ms. Randall seconded the motion which was unanimously approved.

Ms. Canney moved that the Board adopt the resolution to elect Mr. Connors as Treasurer. Mr. Frisbie seconded the motion which was unanimously approved.

Mr. Seelig moved that the Board adopt the resolution to authorize, ratify and confirm any and all prior actions of the officers since the last Annual Meeting. Mr. Candon seconded the motion which was unanimously approved.

Mr. Frisbie moved that the Board adopt the resolution to authorize the CFO/Treasurer to delegate financial activities as appropriate to qualified Finance staff. Mr. Dorn seconded the motion which was unanimously approved.

Ms. Randall moved that the Board adopt the resolution to authorize the listed individuals to sign checks. Ms. Canney seconded the motion which was unanimously approved.

Mr. Candon moved that the Board adopt the resolution to authorize the listed individuals access to all safekeeping vault boxes. Ms. Canney seconded the motion which was unanimously approved.

MULTIFAMILY

Appraisal Guidelines for Multifamily Housing

Mr. Falzone reviewed the Appraisal Guidelines memo.

Ms. Carpenter noted in practice most of the guidelines are already being followed, but there have been inconsistencies in the process which these guidelines will eliminate. Mr. Candon asked if the guidelines reduce the number of appraisers that would be available. Mr. Falzone replied that it should not because 12-13 appraisers have MAI designation, and VHFA has always required use of MAI appraisers. Ms. Carpenter explained these guidelines require appraisers to contact VHFA and other holders of covenants in order to understand the restrictions.

Mr. Seelig commended Mr. Falzone for his work on this project.

Mr. Frisbie moved that the Board approve the Appraisal Guidelines as presented. Ms. Canney seconded the motion which was unanimously approved.

DEVELOPMENT

MacArthur Foundation – Energy Loan and Equity Bridge Loan Program

Mr. Erdelyi reviewed the MacArthur Foundation – Energy Loan and Equity Bridge Loan memo. He explained the program enables the implementation of additional loan activities planned under the MacArthur initiative. The program is a combination of two of the three programs that staff was originally considering for the MacArthur grant. The Energy Loan piece of the program lends money to preservation projects to preserve affordability long term, decrease operating cost and stabilize fuel costs with weatherization. The Equity Bridge Loan piece of the program is intended to get more out of the tax credit dollars. Equity Bridge loans are very safe loans and the default risk is relatively low. Mr. Erdelyi explained he has talked to Housing Vermont and they believe this loan project will work well; other developers are also interested in using the program.

Mr. Alberts moved that the Board approve the Energy Loan Equity and Bridge Loan Program as presented. Ms. Canney seconded the motion which was unanimously approved.

FINANCE

Financial Update

Mr. Connors reviewed financial goals of 2010. He also provided an update for March 2010 as outlined in the memo.

Ms. Pearce asked if Moody's has been in contact with the Agency. Mr. Connors replied that Moody's has not yet affirmed the Agency's General Obligation rating as it is in the process of reviewing all HFAs. Ms. Pearce asked if the Agency has looked at all SWAP agreements and whether there are any concerns regarding ratings risk. Mr. Connors replied that is working with Kutak Rock and Piper Jeffray in putting together an overview setting out the various counterparties with whom the agency has relationships with respect to the various bond indentures, their current rating levels, and the risks associated with any ratings downgrade of one or more of those counterparties Ms. Pearce asked Mr. Connors to report the analysis to the board once complete.

Ms. Randall asked what the balances on TD Bank Loans typically are. Mr. Connors explained that the average is close to what is outlined in the TD Bank handout – about $3.4 million for the Working Line and $5 million for the Construction Line, but that the proposed line amounts take into consideration possible uses if, for example, certain existing amounts financed with bonds must be repaid using the working capital line. Ms. Randall expressed concern in that there are unused line fees and questioned whether the line amounts could be reduced. Ms. Carpenter explained that sometimes there are peaks and valleys in the needs for the money. Mr. Connors stated that he believed the line of credit amounts could be adjusted later to the extent they exceed the Agency's needs.

Renewal of Existing TD Bank Lines of Credit

Mr. Connors reviewed the Renewal of Existing TD Bank Lines Credit memo and resolution. He explained that TD Bank's rates are going up, but they are still lower than Key Bank's.

Mr. Candon moved that the Board approve the TD Bank Lines of Credit resolutions. Mr. Seelig seconded the motion. Mr. Frisbie asked Mr. Pelletier what his feedback is, as a banker, in regard to the presented resolution. Mr. Pelletier explained that Ms. Randall's concerns, as outlined in the Financial Update discussion are fair and appropriate, but he agrees with Mr. Connors that TD Bank has come forward with a reasonable and fair deal in the current market. The motion was unanimously approved.

OTHER BUSINESS

Ms. Carpenter reviewed the Vermont State Tax Credit handout showing what VHFA has done with the State tax credits over the past few years. The report was prepared for the Legislature in response to discussions around reducing or eliminating tax credits. She explained if tax credits are reduced or eliminated it will negatively affect projects in the future.

Mr. Frisbie requested a status report on the three Essex projects. Ms. Carpenter explained the projects will be reviewed in more detail at the June Board meeting. Ms. Reid explained that the market study of the larger Essex area has been completed. There is an incomplete application from one developer and none from the other two projects. The expectation is to have one or two applications for 9% credits and one application for 4% credits. A fourth project in the Essex area, Windermere Estates, has come forward, a mobile home park with 85 homes, is expected to be approaching VHFA within the next year or so.

Mr. Pelletier asked if staff have anything to report on Shelburne Woods. Ms. Carpenter reported that the permitting process is still in the works.

Ms. Carpenter also explained that HOPE grants (Forest Park, Rutland) have not yet been announced.

Mr. Seelig moved that the Board adjourn the meeting. Mr. Frisbie seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Joe Erdelyi, Director of Development

DATE: April 5, 2010

RE: Request for Construction and Permanent Financing: Lake Street, St Albans

Name:	Lake Street Apartments	**Location:**	St. Albans
Housing Type:	Senior	**Unit Type:**	Flats
Unit Count:	31 Total 31 Section 8 units	**Unit Sizes:**	26 one-br., avg. 594 s. f. 5 two-br., avg. 757 s. f.
Total Cost:	$1,727,171	**Per S.F. Acquisition & Construction Cost:**	$45.02
Financing Requested:	$1,687,500 Tax-Exempt Bond; Construction and Permanent loans	**Sponsor:**	Holy Angels Commons Associates, Saul Ziner
Other Funding:	Energy Incentives (possible); Existing reserves and net cash accounts		

Recommendation: That the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence.

Project Summary:
The property is owned by Holy Angels Commons Associates whose general partners are Saul Ziner and Mark Berezin. Mr. Ziner has engaged Nickerson Eller LLC to help recapitalize the property and set it up with a new financing structure. Nickerson Eller looked at various sources of funding including the Federal Home Loan Bank AHP funds and the "bond" Housing Credits, but in the end are pursuing a straight financing using only amortizing debt and any available energy incentives (expected to be less than $10,000). Mr. Ziner intends to form a new partnership in which the current limited partners and co-general partner would not participate. The property will continue to be managed by EP Property management, an affiliated management company.

The property was developed under the Section 8 New Construction / Substantial Rehabilitation program with project based rental assistance and VHFA financing. VHFA still has the financing on this property, and the HAP contract is up for renewal in November 2011. The property is a "new reg" Section 8, meaning that HUD limits annual cash distributions to the owner. This limitation will continue when the HAP contract is renewed. VHFA and the owner have negotiated that the owner can take out cash from this transaction, but in the future there will be no subsequent equity take-out. The owner has agreed in principle to provide VHFA or a nonprofit with an option to purchase the property in the future for the outstanding balance of debts, and a preservation agreement in perpetuity as a part of this restructuring.

This property consists of a five-story brick building originally constructed in 1899, and an addition built in 1981 when the building was converted into Section 8 Senior apartments. The property includes an elevator and common room and has 18 paved parking spaces on site. (Many of the tenants do not have cars and the parking is adequate.) The brick building has a slate roof and the addition has asphalt shingles. The property has been operating as subsidized senior apartments and is approaching the end of its HAP contract. The windows are in very poor condition and have caused the property to fail Real Estate Assessment Center (REAC) inspections by HUD. There have been energy improvements made over the years as well as ongoing repairs and maintenance, but some of the unit finishes are worn and some building systems also need work. Nickerson Eller have coordinated the work of a contractor and architect in developing an outline scope of work, which has been reviewed and preliminarily approved by Dave Anderson (VHFA's inspecting engineer), although further review of final modifications is needed. The rehab budget is approximately $668k and includes: slate roof replacement, skylight replacements and other roof repair, complete window replacement, brick repointing and moisture-proofing, structural repairs, ventilation improvements, foundation drain, accessible ramp replacement, all new refrigerators and toilets, kitchen and baths (cabinets and counters) in four units, painting in eleven units, funding of reserves to replace kitchens and baths in the remaining 20 units on turnover, funding of reserves to replace carpeting throughout, and other miscellaneous work.

The loan amount requested is 90% of the "as-completed" appraised value, as determined by an appraisal done by Mark Brooks of Allen and Brooks, Inc. in September 2009. This loan will need to have a HUD Risk Share guarantee to facilitate VHFA's placement of the bond, and staff are working with the HUD Manchester office to determine the process and required documentation.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION AND PERMANENT FINANCING FOR LAKE STREET APARTMENTS, CITY OF ST. ALBANS

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Holy Angels Commons Associates and Saul L. Ziner (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition and rehabilitation of thirty-one (31) units of senior rental housing in the City of St. Albans (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction and permanent financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsors qualify and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi dated April 5, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsors are financially responsible and are qualified housing sponsors within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

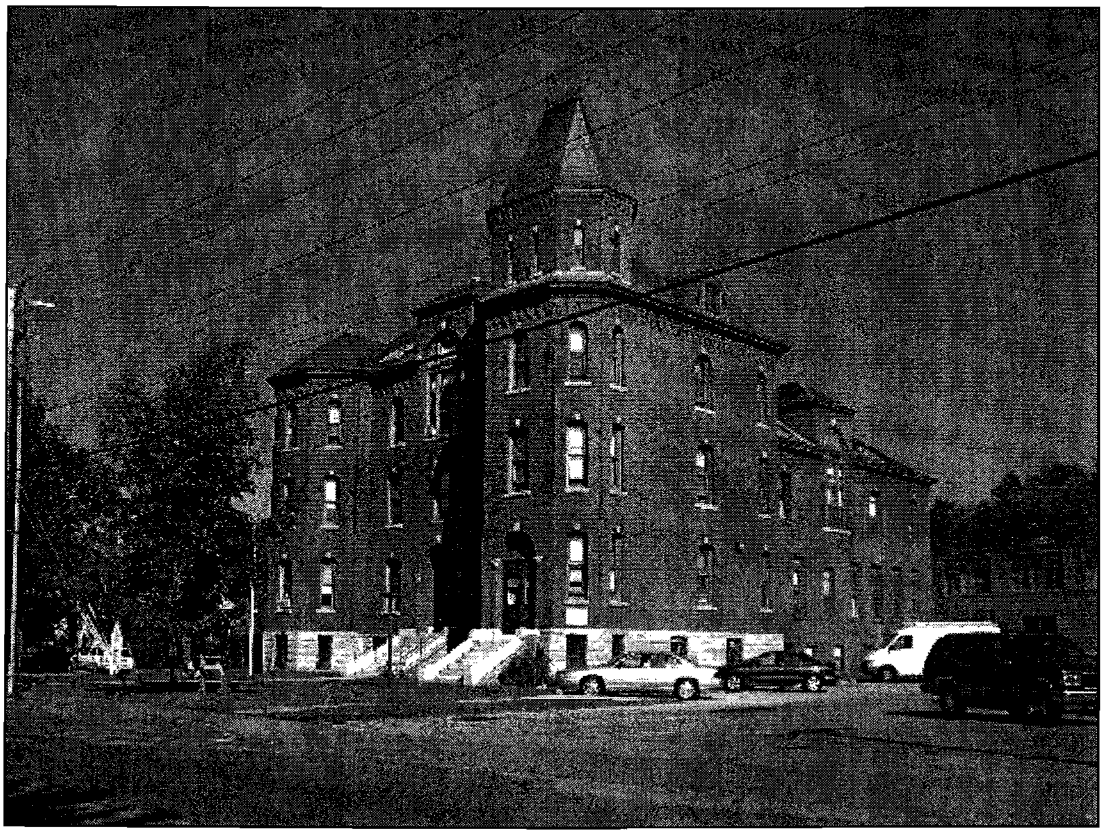
WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsors for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsors in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.



05-Apr-10 **Lake Street Housing**

Total Residential Units:	31	Increase in Income from Rental Units:	1.50%
Restricted Units:	31	Increase in Income from Other Sources:	1.50%
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%
Total Development Cost:	1,727,171	Expense increase:	3.00%
Total Development Cost per Unit:	55,715	Vacancy Rate:	3%
Total Development Cost Per SF:	55.03		
		Long Depreciation Schedule:	27.5 years
		Short Depreciation Schedule:	7 years
		Sponsor's Estimated Yield:	n/a
Loan to Value Ratio:	90.0%		
Year One Debt Coverage Ratio:	1.42	to 1.00	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	1,687,500	97.70%	5.71%	30	30
VHCB		0.00%		30	deferred
HOME		0.00%	1.00%	20	int. only
Existing Replacement Reserves	35,358	2.05%	N/A	N/A	
Other cash accounts	4,313	0.25%	N/A	N/A	
Tax Credit Equity		0.00%	N/A	N/A	
TOTAL SOURCES	1,727,171	100.00%			

USES

Acquisition	745,000	43.13%
Construction Hard Costs	668,158	38.69%
Soft Costs	314,013	18.18%
TOTAL USES	1,727,171	100%
Gap	(1)	

		Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	0	0	0.00
2	Buildings	735,000	23,710	23.42
3			0	0.00
4	Property Appraisal	5,000	161	0.16
5	Legal - Title and Recording	5,000	161	0.16
	Subtotal - Acquisition	745,000	24,032	23.74
	CONSTRUCTION HARD COSTS			
6	Rehabilitation	457,000	14,742	14.56
7	New Building(s)		0	0.00
8	Accessory Buildings		0	0.00
9	Sitework	50,000	1,613	1.59
10	Commercial Space Costs (if any)		0	0.00
11	General Requirements		0	0.00
12	Contractor Overhead		0	0.00
13	Contractor Profit		0	0.00
14	Construction Contingency		0	0.00
15	Construction Management		0	0.00
16	Construction Bond Fee		0	0.00
17	Hazardous Materials Abatement		0	0.00
18	Off-Site Improvements		0	0.00
19	Furnishings, Fixtures, & Equipment	16,000	516	0.51
20	Other (contractor OH/profit, contingency)	145,158	4,683	4.62
	Subtotal - Hard Costs	668,158	21,553	21.29
	SOFT COSTS			
21	Architectural	14,250	460	0.45
22	Engineering	4,000	129	0.13
23	Legal/Accounting	12,500	403	0.40
24	Relocation	10,000	323	0.32
25	Environmental Assessment	3,000	97	0.10
26	Energy Assessment		0	0.00
27	Permits/Fees	4,000	129	0.13
28	Independent Market Study		0	0.00
29	Construction Period Insurance		0	0.00
30	Construction Interest	8,230	265	0.26
31	Construction Loan Origination Fee	0	0	0.00
32	Taxes During Construction		0	0.00
33	Clerk of the Works	10,000	323	0.32
34	Marketing and current expenses	4,313	139	0.14
35	Tax Credit Fees		0	0.00
36	Soft Cost Contingency	10,000	323	0.32
37	Permanent Loan Origination Fee	25,313	817	0.81
38	Lender's Counsel's Fee	6,000	194	0.19
39	Other (vhfa const inspector)	6,049	195	0.19
	SYNDICATION COSTS			
40	Organizational (Partnership)		0	0.00
41	Bridge Loan Fees and Expenses		0	0.00
42	Syndication Consultant		0	0.00
43	Tax Opinion		0	0.00
	DEVELOPER'S FEES			
44	Developer's Fees	81,500	2,629	2.60
45	Other Partnership Fees		0	0.00
46	Consultant Fees	27,500	887	0.88
	RESERVES			
47	Working Capital		0	0.00
48	Rent-up (Deficit Escrow) Reserve		0	0.00
49	Other Operating Reserves		0	0.00
50	Existing Replacement Reserves	35,358	1,141	1.13
51	New Replacement Reserves	52,000	1,677	1.66
	Subtotal - Soft Costs	314,013	10,129	10.00
	TOTAL DEVELOPMENT COSTS	1,727,171	55,715	55

05-Apr-10 **Lake Street Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		594	26	987		307,944
2 Br		757	5	1,101		66,060
3 Br			0	0		0
4+ Br			0	0		0
	Totals	19,229	31			374,004

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage		12,158		
	Grand Totals	31,387	31	374,004
	Less Vacancy		3.00%	(11,220)
			NET RENT	362,784

OTHER INCOME

Laundry	2,400
Parking	0
Commercial Space Income	0
Other	2,150
TOTAL INCOME	367,334

05-Apr-10 **Lake Street Housing**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	26,674	2,223	72	7.3%
Supportive Services	300	25	1	
Audit/Accounting	4,400	367	12	
Legal	500	42	1	
Compliance Monitoring		0	0	
Marketing	500	42	1	
Other	810	68	2	
TOTAL ADMINISTRATIVE	33,184	2,765	89	
Utilities				
Electricity	18,900	1,575	51	
Fuel	20,900	1,742	56	
Water and Sewer	7,800	650	21	
Fire Alarm / Emergency	2,040	170	5	
Other		0	0	
TOTAL UTILITIES	49,640	4,137	133	
Maintenance				
Maintenance / Janitor Payroll	21,000	1,750	56	
Janitor Supplies	480	40	1	
Exterminating	120	10	0	
Trash Removal	1,620	135	4	
Snow Removal	1,750	146	5	
Grounds	500	42	1	
Repairs Material	1,800	150	5	
Repairs Contract	1,800	150	5	
HVAC Repairs / Maintenance	900	75	2	
Elevator Contract / Repairs	3,600	300	10	
Painting and Decorating	1,200	100	3	
Other - Simplex	850	71	2	
TOTAL MAINTENANCE	35,620	2,968	96	
				per unit month
Real Estate Taxes	48,388	4,032	130	excl. ds & res.
Property Insurance	10,668	889	29	477
Replacement Reserves	22,320	1,860	60	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other - Taxes	350	29	1	
Total	200,170	16,681	538	

05-Apr-10	Lake Street Housing															
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		374,004	379,614	385,308	391,088	396,954	402,909	408,952	415,086	421,313	427,632	434,047	440,558	447,166	453,873	460,682
Other Income		4,550	4,618	4,688	4,758	4,829	4,902	4,975	5,050	5,126	5,202	5,280	5,360	5,440	5,522	5,604
Vacancy and other losses		(11,220)	(11,388)	(11,559)	(11,733)	(11,909)	(12,087)	(12,269)	(12,453)	(12,639)	(12,829)	(13,021)	(13,217)	(13,415)	(13,616)	(13,820)
Total Operating Income		367,334	372,844	378,437	384,113	389,875	395,723	401,659	407,684	413,799	420,006	426,306	432,701	439,191	445,779	452,466
Operating Expenses																
Total Expenses (excl. Reserves)		177,850	183,186	188,681	194,341	200,172	206,177	212,362	218,733	225,295	232,054	239,016	246,186	253,572	261,179	269,014
Reserves		22,320	22,655	22,995	23,340	23,690	24,045	24,406	24,772	25,143	25,520	25,903	26,292	26,686	27,086	27,493
Total Operating Expense		200,170	205,840	211,676	217,681	223,861	230,222	236,768	243,505	250,438	257,574	264,919	272,478	280,258	288,265	296,507
Net Operating Income		167,164	167,004	166,761	166,432	166,013	165,501	164,891	164,179	163,361	162,432	161,387	160,223	158,933	157,514	155,959
	79,981															
Less Primary Debt Service	197,640	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659	117,659
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		49,504	49,344	49,101	48,773	48,354	47,842	47,231	46,519	45,701	44,772	43,728	42,563	41,274	39,854	38,299
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		49,504	49,344	49,101	48,773	48,354	47,842	47,231	46,519	45,701	44,772	43,728	42,563	41,274	39,854	38,299
DCR		142.07%	141.94%	141.73%	141.45%	141.10%	140.66%	140.14%	139.54%	138.84%	138.05%	137.16%	136.17%	135.08%	133.87%	132.55%
Cumulative Cash Flow																
Beginning Balance		35,358	77,639	119,648	161,833	204,110	246,389	288,576	330,571	372,271	413,565	454,339	494,470	533,833	572,294	609,712
Deposits		50,035	49,344	49,101	48,773	48,354	47,842	47,231	46,519	45,701	44,772	43,728	42,563	41,274	39,854	38,299
Interest	1.0%	604	1,023	1,442	1,862	2,283	2,703	3,122	3,538	3,951	4,360	4,762	5,158	5,545	5,922	6,289
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)	(8,358)
Ending Balance		77,639	119,648	161,833	204,110	246,389	288,576	330,571	372,271	413,565	454,339	494,470	533,833	572,294	609,712	645,942
Cumulative Replacement Reserves																
Beginning Balance		52,000	74,952	98,469	122,563	147,245	20,657	45,029	70,007	95,602	121,827	(3,175)	22,826	49,477	76,792	104,781
Deposits		22,320	22,655	22,995	23,340	23,690	24,045	24,406	24,772	25,143	25,520	25,903	26,292	26,686	27,086	27,493
Interest	1.0%	632	863	1,100	1,342	1,591	327	572	824	1,082	1,346	98	360	628	903	1,185
Withdrawals	4,899	0	0	0	0	(151,869)	0	0	0	0	(151,869)	0	0	0	0	(151,869)
Ending Balance		74,952	98,469	122,563	147,245	20,657	45,029	70,007	95,602	121,827	(3,175)	22,826	49,477	76,792	104,781	(18,409)
	56															

revision date: 8/6/2007

vhfa

Vermont Housing Finance Agency

VHFA Board of Commissioners Meeting Minutes
Agency of Commerce and Community Development
Calvin Coolidge Conference Room
National Life Building, 6th Floor, Montpelier
Monday, April 12, 2010 at 9:00 a.m.

VHFA Board Member Present:

Tom Pelletier (Chair), Dagyne Canney, Kevin Dorn, Beth Pearce, Tom Candon, Gus Seelig

Staff Present:

Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Pat Crady, Sam Falzone, Joe Erdelyi, Dave Adams

Guests:

Liz Nickerson (Nickerson Eller, LLP), John Eller (Nickerson Eller, LLP)

BOARD MEETING

Mr. Pelletier called the Board meeting to order at 9:09 a.m.

BOARD MINUTES

Ms. Canney moved that the Board approve the March 22, 2010 Board of Commissioners meeting minutes. Mr. Dorn seconded the motion, which was unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Ms. Carpenter reviewed the Executive Directors report. She informed the Board that the Pizzigalli Corporation, owner of Wharf Lane Section 8 project had provided a notice of option to the Agency. The Agency has the right to purchase or assign to purchase the property. Burlington Housing Authority has expressed interest in purchasing the property. This property is located on lower Maple Street near the waterfront and is considered valuable affordable housing stock for the City of Burlington This project will require significant financial resources to preserve these units.

ADMINISTRATION

Annual Meeting

Ms. Canney explained that she felt there may be a potential conflict with the current Vice Chair incumbent, Mr. Seelig, given his role as Executive Director of VHCB. Mr. Seelig's and Mr. Dorn's Agencies, VHCB and DEHCD respectively, see and lend on the projects presented to the

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

EQUAL HOUSING OPPORTUNITY

VHFA Board. Mr. Dorn agreed with Ms. Canney's statement and said that neither Mr. Seelig nor Mr. Dorn should hold the position of Vice Chair.

Mr. Candon stated that in his opinion Mr. Dorn and Mr. Seelig can serve as Vice Chair. If a conflict arises for a particular board member, including the Vice Chair, the member can excuse themselves from the discussion and the vote. Ms. Pearce agreed with Mr. Candon.

Mr. Dorn explained he does not question Mr. Seelig performance as a VHFA Board member, but that the issue is in the appearance that having a state official as Vice Chair of the VHFA Board portrays. Ms. Canney agreed.

Ms. Carpenter explained an ex-officio's role, as Mr. Seelig and Mr. Dorn are, as well as Mr. Candon and Ms. Pearce is to protect the interests of the State of Vermont. The intent is to ensure an entity does not go in an undesired direction. This is true for VHFA and for the various other agencies and committees created by the legislature that require ex-officio members.

Ms. Canney asked for a legal opinion from Mr. Demas. Mr. Demas explained the law specifically provides that the ex-officios be on the Board and does not limit the roles the ex-officios can play. The Vice Chair's only job is to fill in for the Chair when he is unavailable, in the rare case that it happens. Mr. Canney asked what would happen if there was a tie on a controversial issue's vote regarding the Vice Chair's agency or a project that his agency had interest in while the filling in for the Chair. Mr. Demas explained that the issue and vote would have to be tabled until a future meeting. The Board could choose to amend the by-laws to regulate who may or may not serve as Vice Chair, but the Board would have to make that decision.

Mr. Seelig stated that he and others work hard to step back on votes or discussions when there is a potential conflict. He emphasized that if someone else would like to fill the role of Vice Chair they should let the Board know. Mr. Seelig noted that he currently fills this role at the request of others and it has not been a role that he has sought after to fill.

Mr. Pelletier asked Mr. Demas what the procedure would be to amend the by-laws. Mr. Demas replied that there would have to be a Notice for the next meeting and staff would create language for the Board to approve at the meeting. He explained that the options on the table for the current meeting are to elect a Vice Chair or defer to Notice a change in the by-laws at the next meeting.

Ms. Canney asked Mr. Pelletier who he would like to see as Vice Chair. Mr. Pelletier explained that he had asked all VHFA Board members if they would like to serve as Vice Chair and no one replied. At that time he asked Mr. Seelig if he would continue to serve as Vice Chair. Mr. Pelletier said that he is comfortable with Mr. Seelig as Vice Chair.

Ms. Pearce moved that the Board approve Mr. Seelig as the Vice Chair. Mr. Candon seconded the motion, which was approved by all members present except Ms. Canney and Mr. Dorn who voted no.

2011 VHFA Board Meeting Calendar
Ms. Carpenter announced that the NCSHA annual meeting would be held on October 3rd -5th, 2010 in Boston. It would be nice to have a VHFA Board member in attendance. More information would be circulated as the time draws nearer.

There was no further discussion regarding the 2011 Board meeting calendar as scheduled.

HOMEOWNERSHIP

Lending Activity Update
Ms. Crady provided a lending activity updated for the Board. She explained that things look better at this time and there has been an increase in lending activity. There were $4-5 million in reservations last week. Today the compensation rate to the lenders increased from 1.25% to 1.50%. There have been a number of website enhancements recently including the addition of a prequalification tool that directs borrowers to conventional or government programs on the website, which has been well received. The Agency has recently stepped up its marketing efforts, focusing on the government insured programs, which has a rate of 4.95% and is currently below current market rates. Given the good response to these marketing initiatives, the plan is to continue with more marketing of the government programs.

Ms. Crady explained that Homeownership will be taking another look at the Affordable Advantage Program, if the Agency can participate. It is a loan program without mortgage insurance but which requires the Agency to accept certain limited risk if the loan defaults within six months after it is closed. The data we have reviewed shows that risk to the agency should be insignificant. The interest rate would be higher for borrowers but the monthly payment is lower due to the absence of mortgage insurance. Mr. Adams explained that a challenge for VHFA in the Affordable Advantage Program is the need for a reserve of $250,000. Loans that are repurchased could not be put in any of our existing single family resolutions, so the general fund would be used.

Ms. Crady explained that although there was not a delinquency report with this month's Board packet, the agency saw a substantial decrease in delinquencies as of March 31st.

Mr. Candon asked if RD runs out of funds, will it impact VHFA's commitment pipeline. Ms. Crady explained that it would not as of yet, and explained that RD received another $3 million in guarantee authority. There are efforts to get a federal long term fix for this.

Mr. Candon asked if VHFA can fit into another program such as HAMP/HOPE programs. Ms. Crady explained that VHFA could not.

DEVELOPMENT

Lake Street, St. Albans – Permanent Financing
Mr. Erdelyi reviewed the Lake Street, St. Albans memo. He clarified that after failing a HUD inspection due to poor window issues it has since passed inspection. However, the windows, installed in the early 1980's, do still need to be replaced.

Mr. Eller thanked VHFA staff for their patience and endurance though the changes in this project.

Mr. Candon asked if there is an elevator in this building. Mr. Eller explained that the elevator is in the front of the building.

Mr. Candon asked what the loan to value is. Mr. Erdelyi explained that it is high, at 90%; however, the debt coverage is generally of greater concern. However, a Section 8 contract renewal should generate enough rent coverage to cover the debt service. Mr. Adams explained that this financing would go through the HUD Risk Share Program.

Ms. Pearce asked about the project's interest at 13.75%. Mr. Falzone explained that it was the original debt service from 1982 and was not changed as part of the 2007 multi-purpose bond issue in anticipation of this transaction.

Ms. Pearce asked about the property inspection that had a HUD rating of 64 out of 100, which seemed low to her. Mr. Eller explained that the windows are the primary cause for the low rating. Ms. Carpenter explained that one should take caution when looking at the REAC scores. It is sometimes a subjective process and insignificant factors can often make the score low.

Ms. Pearce asked what is the risk of non-renewal of the HAP contract. Ms. Carpenter explained Congress has been renewing the HAP contracts year by year. The biggest risk is in the assumption that Congress will continue to renew expiring contracts.

Mr. Seelig asked if the project has looked at the historic tax credits. Ms. Nickerson explained that they did look into it, however complying with the Secretary of the Interior's standards was not doable. The windows, again, were the issue – most non-custom windows do not meet the standards.

Mr. Seelig asked if the project had an energy assessment. Mr. Eller explained CVOEO did an assessment and they have made all recommended changes. Mr. Seelig asked what kind of energy incentives they are using. Mr. Eller explained that they may receive up to $15,000 from CVOEO.

Unrelated to Lake Street, Mr. Seelig referenced an article recently published in *The Times Argus* regarding solar panels. The Daly Shoe Building in Brattleboro was cited for violating historic preservation standards because of the solar panels from their roof. The panels did not comply with the Secretary of Interior's historic standards. He explained that as VHFA tries to improve the energy efficiency of the portfolio across the state such situations should be kept in mind.

Mr. Falzone explained that only $300 was in the budget for supportive services. He encouraged Mr. Eller to increase that to $25,000 -$26,000.

Mr. Pelletier asked if the agreement in principle will be solid enough to be included in the letter of intent. Mr. Erdelyi explained that it would, and the Agency would not close on the loan until we have received the option. He explained that going forward the only funds taken out of operations will be cash distributions and the management fee, but no equity.

Ms. Pearce requested that approval be subject to two conditions; one being the increase in supportive services funds and the other being completion of VHFA's review and approval of the scope of work.

Ms. Carpenter explained that one of the issues VHFA is seeing related to preservation projects is that the current owners are subject to exit taxes when they transfer ownership. If owners had relief from some of these taxes they could put more into the project.

Mr. Seelig moved that the Board approve the Permanent Financing for Lake Street, St. Albans with two conditions – adequate funding of supportive services in the operating budget and approval of the construction scope of work. Ms. Pearce seconded the motion, which was unanimously approved.

Shelburne Woods
Mr. Erdelyi reported that Mr. Adams, Mr. Slade and himself met with the Mr. Geibink and Mr. Brush regarding Shelburne Woods and the substantial tax credits and $200,000 in pre-development expenses that VHFA has tied up in the project. Mr. Geibink and Mr. Brush explained that they are done putting time and money into the development. If it goes forward they will not be the lead developers; however, they would like to see it go forward. They asked the Agency to hold off on taking any action on the pre-development loan and tax credit award for 30-60 days because there may be some changes happening in the Town of Shelburne that may allow the project to move forward. Staff agreed with this request.

FINANCE
Financial Update
Mr. Connors reviewed the Financial Update memo. He told the Board that progress toward the financial goals would be reviewed at the next meeting with the quarterly report.

Ms. Pearce asked if some of the stock in the Agency's portfolio had been sold. Mr. Connors explained Prudential stock had been sold with for approximately $900,000.

Ms. Carpenter noted that the Finance department process review, which is being conducted by Pat Loller and Lisa Clark is in full swing.

FY 2011 Budget Planning
Ms. Carpenter explained that staff is beginning the budget process for 2011. She reviewed that the Agency made significant cuts in 2009 and 2010. The Agency is now in a level position, but production is behind. However, revenue is not immediately impacted. Ms. Canney asked staff to report on production and its impact on the budget. A production analysis will be provided at the budget meetings.

Ms. Canney asked for a "ball park" figure on production levels. Ms. Crady explained that the Agency will not meet the $60,000,000 goal. Ms. Crady estimated that there was $10 million purchased YTD and another $9 million was in the pipeline. Mr. Adams said the gain on sales was $30,000. While the planned amount was $125,000, the real loss is in the spread that the Agency would have earned on loans over their life. The income over time will be hard to make up. Ms. Carpenter noted that revenue over time is also affected by prepayment levels and loan losses.

OTHER BUSINESS

Legislative Update

Ms. Carpenter reviewed the Policy and Planning section of the ED Report.

Mr. Adams handed out a NSP/HARP Program Progress Report memo. He mentioned that they are happy that this program has enabled employment for many construction workers across the state that might not otherwise have work. Ms. Canney asked Mr. Adams to explain why some properties may not have been chosen for the program. Mr. Adams replied that there could have been many reasons including the size of the home, foundation issues, septic issues, etc. Mr. Adams added that the pace of REO's in Vermont has slowed down recently.

Mr. Pelletier asked Board members to let him know which committee they would like to be on this year Audit Risk or Human Resources.

Mr. Seelig moved that the Board adjourn the meeting at 11:13 a.m. Ms. Pearce seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer TRC

RE: **Citizens Bank – Revolving Line of Credit**

DATE: May 4, 2010 for May 10, 2010 Board Meeting

Board Action Requested: Adoption of the attached Resolution

On July 28, 2009, the Board adopted a resolution to accept The John D. and Catherine T. MacArthur Foundation ("MacArthur Foundation") Award for State and Local Housing Preservation Leaders for Program Related Investment in the amount of $2 million (the "Award"). The closing occurred on October 19, 2009.

As part of the Agency's agreement with the MacArthur Foundation, the Agency represented that it would leverage the Award with other funding. Staff has been working with RBS Citizens, National Association ("Citizens") to establish the proposed $4 million line of credit as this source of funding (the "Citizens Line of Credit").

The following programs, to be funded with a combination of draws on the Award and the Citizens Line of Credit, were approved by the Board as follows:

- December 17, 2009: MacArthur Predevelopment Loan Program
- March 22, 2010: MacArthur Energy and Equity Bridge Loans Program

Attached to the Resolution is the Revolving Line of Credit Proposal from Citizens.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

Vermont Housing Finance Agency

RESOLUTION RE: RBS CITIZENS, NATIONAL ASSOCIATION BORROWING FOR PRESERVATION OF AFFORDABLE RENTAL HOUSING

WHEREAS, the Board of Commissioners adopted a certain resolution on July 28, 2009, to accept The John D. and Catherine T. MacArthur Foundation Award for State and Local Housing Preservation Leaders for Program Related Investment in the amount of Two Million and 00/100 Dollars ($2,000,000.00) (the "MacArthur PRI Award"); and

WHEREAS, the Board of Commissioners approved the MacArthur Predevelopment Loan Program on December 17, 2009, and the MacArthur Energy and Equity Bridge Loans Program on March 22, 2010 (the "Programs"); and

WHEREAS, the Agency wishes to supplement the MacArthur PRI Award with additional funding for lending under the Programs; and

WHEREAS, the Agency received a Revolving Line of Credit Proposal ("Commitment") dated March 11, 2010, from RBS Citizens, National Association ("Citizens") that describes the terms and conditions of the Revolving Line of Credit (the "Citizens Line of Credit"), which Commitment has been presented to and reviewed by the Board of Commissioners; and

WHEREAS, the Agency wishes to authorize, individually, the Executive Director and the Chief Financial Officer in their capacities as Secretary and Treasurer of the Agency, respectively, and the Chief of Program Operations to take all actions necessary, including the execution of documents, to obtain the Citizens Line of Credit and to extend and/or renew the Citizens Line of Credit at the same or better terms in the future;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The Agency hereby ratifies the terms and conditions of the Citizens Line of Credit substantially in the form presented in the Commitment; and

2. The Agency hereby authorizes, individually, the Executive Director and the Chief Financial Officer in their capacities as Secretary and Treasurer of the Agency, respectively, and the Chief of Program Operations to take all actions necessary, including the execution and delivery of any and all necessary documents, to obtain the Citizens Line of Credit and to extend and/or renew the Citizens Line of Credit at similar or better terms in the future; and

3. In connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby is, authorized, from time to time, to prepare, execute and submit to Citizens borrowing requests for advances and disbursements of funds, and instruct Citizens as to the payment or disbursement thereof, and conversion notices pursuant to or in connection with

the Citizens Line of Credit: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees. Any one of the following officers of VHFA (each acting singly) be, and hereby is, authorized, from time to time, to certify to Citizens the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time: Executive Director, Chief Financial Officer or Chief of Program Operations.

Citizens Bank

875 Elm Street
Manchester, NH 03101
603 634.8500

March 11, 2010

Vermont Housing Finance Agency
David S. Adams, Chief of Program Operations
P.O. Box 408
Burlington, VT 05402-0408

RE: Revolving Line of Credit Proposal

Dear David:

Thank you for providing us the opportunity to consider your financing request. I am pleased to be writing in formal notification that Citizens Bank has approved a Revolving Credit facility under the terms described below in connection with the MacArthur Foundation program.

This commitment outlines the basic structure under which Citizens Bank will make available this Revolving Line of Credit, with the details to be captured within the loan documents that are being prepared by our attorney.

Borrower: Vermont Housing Finance Agency

Lender: RBS Citizens, NA

Loan Type: Revolving Line of Credit

Amount: $4,000,000

Purpose: To support the financing programs of the Borrower in connection with the predevelopment, equity bridge and energy improvement of existing affordable rental housing in Vermont. The credit facility will be specifically directed to provide additional support for lending activities that are funded through the John D. and Catherine T. MacArthur Foundation financing (the "MacArthur Funding").

Term: The facility will carry a rolling term of three (3) years, subject to review and renewal annually, so that a three-year commitment is maintained at all times. The availability of the line of credit will be extended for an additional one year at each review. At no time will the facility's maturity date exceed that of the MacArthur Foundation commitment.

Interest Rate: Borrower shall pay interest at a variable rate utilizing as the Index, the Bank's LIBOR Advantage rate for 1 month terms. An option will be available to move funds into separate Tranches (LIBOR contracts) that can be priced using as the Index, Standard LIBOR for terms of 3, 6, 9 or 12 months.

The additional Tranches will be funded in amounts no less than $500,000 and will not increase availability but will continue to be included in the outstanding balance under the Commitment.

All draws under the line regardless of Index will be subject to a margin of 350 basis points.

The interest rate will be adjusted at each change in the Index as of the end of the applicable interest period for such Tranche. Interest shall be calculated on the actual number of days elapsed on a 360 day/year basis.

Advances: The facility will be limited collectively to no more than six (6) separate draws or Tranches at one time with Standard LIBOR rates of more than 30 days. Advances that are priced utilizing Standard LIBOR rates at 3, 6, 9 and 12 mos will be funded in amounts no less than $500,000.

It is understood that while not strictly monitored, the funding of the activities under the program from the MacArthur Foundation funds and the revolving line of credit should be roughly proportionate to the total pool (33% MacArthur / 66% Citizens)

Breakage Costs: It is important to note that Tranches or LIBOR contracts that are funded for periods beyond thirty (30) days may be subject to breakage fees if fully repaid before the expiration of the contract period.

Repayment: Monthly payments of interest accrued against the outstanding balance will be required. Principal will be repaid on a revolving basis in keeping with the repayment schedules on the underlying credit extensions; however, in the event that the Bank fails to extend the term of the credit facility all funds outstanding at the time will subject to fully repayment over a three (3) year amortization period.

Fees:

- The Lender will be paid a commitment fee equal to 20 basis points on the loan amount ($8,000).
- All related loan closing costs, including but not limited to legal costs incurred by the Lender in connection with document preparation.

Collateral: The credit facility will be provided on an unsecured basis; however, the Borrower will provide a negative pledge of the loans underwritten using the proceeds of the revolving line of credit.

Financial Covenants:

- Breakeven Operations: The Borrower will maintain a level of (i) annual revenue (without regard to increases or decreases in fair market value of the Borrower's investments) which equal or exceeds (ii) Borrower's annual expenses (exclusive of extraordinary one-time expenses), measured on an annual basis as of the Borrower's fiscal year end.
- Rating: The Borrower will maintain, on its general unsecured debt, a Moody's equivalent bond rating at no less than A3.
- Minimum Reserves: The Borrower will maintain a minimum of Thirty Million Dollars ($30,000,000) of unrestricted cash reserves (excluding Surety Bonds) above bond resolution parity requirements, tested at least semi-annually via the Borrower's Cash Flow Summary report.

Financial Reporting: For the duration of the financing the Borrower will provide the following to the Lender:

- Annual audited financial statements within 120 days of fiscal year end
- Quarterly management-prepared balance sheet and income statement, within 60 days of quarter-end
- At least semi-annually, and more frequently if possible, management-prepared Cash Summary analysis reflecting unrestricted cash available in excess of parity requirements, by individual fund; and delinquency statistics
- Management-prepared reporting of all project financing that has been supported using the revolving line of credit; allowing for reconciliation to the outstanding balance under the line of credit.
- Annual operating budget, as prepared
- Other reporting as the Bank may deem appropriate

Other/Special Conditions:

- Commitment is subject to the Lender's satisfactory review of all terms and conditions of the MacArthur Foundation financing.
- Commitment assumes the Borrower establishes a deposit account with Citizens Bank, through which all MacArthur Foundation funds will flow.
- Credit facility will be cross-defaulted with all other funded debt

Please be aware that the terms and conditions presented herein do not include all the conditions, defaults and other provisions which will be contained in the loan documentation for this transaction.

This commitment will remain valid for a period of fourteen (14) days from the date hereof. If not accepted on or before March 25th, 2010 this commitment will expire and become null and void.

If you wish to move forward to a closing please indicate your acceptance by signing below and returning the original of this commitment letter to my attention at the address above.

I welcome the opportunity to discuss any of the terms and conditions in further detail. Please feel free to contact me at 603-634-7519. I look forward to working with you.

Sincerely,

Linda A Tremblay

Linda Tremblay
Vice President
Not-For-Profit Banking Group

ACCEPTED BY:

BY: David E. Cuyler

DATE: 3/22/10

{B0534057.1 07633-0024}

vhfa

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer TC

RE: **Renewal of Existing and Establishment of New KeyBank Credit Facilities**

DATE: May 3, 2010 for May 10, 2010 Board Meeting

Board Action Requested: Adoption of the attached "Resolutions Regarding KeyBank Borrowings."

Summary of Request

The Agency currently has three ***active*** lines of credit with KeyBank that were to expire at the end of March 2010: the Revolving Credit Facility, the 2009 Purpose and Ability Non-Revolving Credit Facility and the Permanent Funding Non-Revolving Line of Credit. (The Permanent Funding Non-Revolving Line of Credit was to provide short-term bridge financing for projects in anticipation of permanent take-out financing. However, no advances were made from this line of credit.) The Permanent Funding Non-Revolving Line of Credit expired on March 30, 2010. The Revolving Credit Facility and the 2009 Purpose and Ability Non-Revolving Credit Facility were extended until the end of May, 2010 pending negotiations with KeyBank regarding the Agency's various credit facilities.

The Agency also has an ***inactive*** line of credit, from which no initial advances to a project could be made after March 2009, but which has a yet-to-mature balance. This line is known as the 2008 Purpose and Ability Non-Revolving Credit Facility.

Staff is requesting:

1. Renewal of the Revolving Credit Facility;
2. Authority to open a new construction line of credit, to be known as the 2010 Purpose and Ability Non-Revolving Credit Facility;
3. Authority to open a new warehousing line of credit, to be known as the Warehouse Revolving Credit Facility;
4. Reduction of the cap on the 2009 Purpose and Ability Non-Revolving Credit Facility, from which no new project loans can be made after May 31, 2010; and
5. Reduction of the cap on the 2008 Purpose and Ability Non-Revolving Credit Facility, from which no new project loans could be made after March 31, 2009.

With the exception of the warehousing line of credit, these requests, spelled out in more detail below, are similar to those approved by the Board last year at its March 2009 meeting.

--over--

Existing Lines

The Agency's $5 million Revolving Credit Facility currently in place with KeyBank is used to fund predevelopment and other related costs as well as for general working capital purposes. The Agency is asking the Board to approve the renewal of this credit facility at terms similar to the existing facility. This arrangement has been working well for the Agency and there is a need for this type of facility going forward.

The Agency's 2008 Purpose and Ability Non-Revolving Credit Facility (used for short-term construction loans) with KeyBank was initiated in March of 2008 and is currently capped at $3 million. No new project loans have been made since after March 31, 2009. At the end of May, 2010, there will be one project loan remaining on this line. Taking into account additional commitments to draw as well as anticipated payoffs, the cap on this line will be lowered to $525,000. KeyBank will close out the line upon payoff of this project loan.

The Agency's 2009 Purpose and Ability Non-Revolving Credit Facility (used for short-term construction loans) with KeyBank was initiated in March of 2009 and is currently capped at $29.3 million. No new project loans will be made after May 31, 2010. There are currently five project loans on this line. Taking into account additional commitments to draw as well as anticipated payoffs, the cap on this line will be lowered to $15.9 million. KeyBank will close out this line upon payoff of the last project loan.

New Lines

The Agency is asking the Board to approve authority for a 2010 Purpose and Ability Non-Revolving Credit Facility (to be used for short-term construction loans) with KeyBank for up to $24.1 million at terms similar to the existing purpose and ability non-revolving credit facilities.

The Agency is also asking the Board to approve authority for a Warehouse Revolving Credit Facility (to be used to provide bridge financing for the purchase of mortgages and mortgage-backed securities in anticipation of the issuance of bonds) with KeyBank for up to $20 million.

Attached to the Resolution is the proposed term sheet from KeyBank.

Please Note: These Resolutions authorize the *Revolving Credit Facility*, amendments to the *2008* and *2009 Purpose and Ability Non-Revolving Credit Facilities*, the *2010 Purpose and Ability Non-Revolving Credit Facility* (all purpose and ability non-revolving credit facilities for multifamily project construction loans), and the *Warehouse Credit Facility* (for single family loans) with KeyBank.

VERMONT HOUSING FINANCE AGENCY ("VHFA")

RESOLUTIONS REGARDING KEYBANK BORROWINGS

WHEREAS, VHFA desires to renew an existing revolving line of credit, amend existing purpose and ability lines of credit for construction loans, create a new 2010 purpose and ability line of credit for construction loans and create a new warehousing credit facility for the purchase of mortgage-backed securities with KeyBank National Association (the "Bank") at terms that are considered commercially viable, and to extend and/or renew these credit facilities at similar terms in the future;

NOW, THEREFORE, the following resolutions are hereby unanimously adopted:

I. REGARDING THE REVOLVING CREDIT FACILITY

RESOLVED: That, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized for, in the name of, and on behalf of, VHFA (each acting singly) to renew and borrow up to the maximum principal amount of Five Million Dollars ($5,000,000.00) under a revolving line of credit from the Bank and to extend and/or renew this facility at similar terms in the future to provide funds for costs associated with predevelopment and other related projects and for general working capital purposes.

RESOLVED: That, without limiting the generality of the above resolution, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized to renew a line of credit facility in the maximum amount of Five Million Dollars ($5,000,000.00) to be secured by a pledge of the general revenues of VHFA, on such terms and conditions deemed appropriate by the Executive Director of VHFA or the Chief Financial Officer of VHFA.

RESOLVED: That, in connection with the above resolutions, the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees be, and each hereby is, authorized, individually and without the concurrence of any other officer, to make, execute and deliver such loan agreements and promissory notes, security agreements, and any other notes, agreements, trusts, receipts, guarantees and any other evidences of VHFA's indebtedness and obligations to the Bank (collectively, the "Line of Credit Documents"); such Line of Credit Documents to contain such terms and conditions as the signing officer may approve, his or her signature being conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such credit facility: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time.

II. REGARDING AMENDMENT OF THE EXISTING 2008 PURPOSE AND ABILITY NON-REVOLVING CREDIT FACILITY

RESOLVED: That, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized for, in the name of, and on behalf of, VHFA (each acting singly) to amend the Existing 2008 Purpose and Ability Non-Revolving Credit Facility to a new maximum principal amount of Five Hundred Twenty-Five Thousand Dollars ($525,000.00) (a) to provide short-term bridge financing for residential housing projects in anticipation of permanent take-out financing, (b) to provide for both taxable and tax-exempt advances, and (c) to provide financing to complete site control, site due diligence, site acquisition, development, rehabilitation, and construction with respect to individual projects.

RESOLVED: That, without limiting the generality of the above resolution, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized to amend the Existing 2008 Purpose and Ability Non-Revolving Credit Facility to a maximum amount of Five Hundred Twenty-Five Thousand Dollars ($525,000.00) to be secured by a pledge of the general revenues of VHFA, on such terms and conditions deemed appropriate by the Executive Director of VHFA or the Chief Financial Officer of VHFA. In addition, VHFA is hereby authorized to provide or obtain a negative pledge for the real property and improvements for each project that is funded under this loan facility.

RESOLVED: That, in connection with the above resolutions, the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees be, and each hereby is, authorized, individually and without the concurrence of any other officer, to make, execute and deliver such loan agreements and promissory notes, security agreements, and any other notes, agreements, trusts, receipts, guarantees and any other evidences of VHFA's indebtedness and obligations to the Bank (collectively, the "Existing 2008 Ability Line of Credit Documents"); such Existing 2008 Ability Line of

Credit Documents to contain such terms and conditions as the signing officer may approve, his or her signature being conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such credit facility: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time.

III. REGARDING AMENDMENT OF THE EXISTING 2009 PURPOSE AND ABILITY NON-REVOLVING CREDIT FACILITY

RESOLVED: That, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized for, in the name of, and on behalf of, VHFA (each acting singly) to amend the Existing 2009 Purpose and Ability Non-Revolving Credit Facility to a new maximum principal amount of Fifteen Million Nine Hundred Thousand Dollars ($15,900,000.00) (a) to provide short-term bridge financing for residential housing projects in anticipation of permanent take-out financing, (b) to provide for both taxable and tax-exempt advances, and (c) to provide financing to complete site control, site due diligence, site acquisition, development, rehabilitation, and construction with respect to individual projects.

RESOLVED: That, without limiting the generality of the above resolution, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized to amend the Existing 2009 Purpose and Ability Non-Revolving Credit Facility to a maximum amount of Fifteen Million Nine Hundred Thousand Dollars ($15,900,000.00) to be secured by a pledge of the general revenues of VHFA, on such terms and conditions deemed appropriate by the Executive Director of VHFA or the Chief Financial Officer of VHFA. In addition, VHFA is hereby authorized to provide or obtain a negative pledge for the real property and improvements for each project that is funded under this loan facility.

RESOLVED: That, in connection with the above resolutions, the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees be, and each hereby is, authorized, individually and without the concurrence of any other officer, to make, execute and deliver such loan agreements and promissory notes, security agreements, and any other notes, agreements, trusts, receipts, guarantees and any other evidences of VHFA's indebtedness and obligations to the Bank (collectively, the "Existing 2009 Ability Line of Credit Documents"); such Existing 2009 Ability Line of Credit Documents to contain such terms and conditions as the signing officer may approve, his or her signature being conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such credit facility: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time.

IV. REGARDING THE 2010 PURPOSE AND ABILITY NON-REVOLVOING CREDIT FACILITY

RESOLVED: That, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized for, in the name of, and on behalf of, VHFA (each acting singly) to borrow the maximum principal amount of up to Twenty-Four Million One Hundred Thousand Dollars ($24,100,000.00) from the Bank and to extend and/or renew this facility at similar terms in the future (a) to provide short-term bridge financing for residential housing projects in anticipation of permanent take-out financing, (b) to provide for both taxable and tax-exempt advances at variable and fixed interest rates, and (c) to provide financing to complete site control, site due diligence, site acquisition, development, rehabilitation, and construction with respect to individual projects.

RESOLVED: That, without limiting the generality of the above resolution, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized to obtain from the Bank a line of credit facility in the maximum amount of up to Twenty-Four Million One Hundred Thousand Dollars ($24,100,000.00) to be secured by a pledge of the general revenues of VHFA, on such terms and conditions deemed appropriate by the Executive Director of VHFA or the Chief Financial Officer of VHFA. In addition, VHFA is hereby authorized to provide or obtain a negative pledge for the real property and improvements for each project that is funded under this loan facility.

RESOLVED: That, in connection with the above resolutions, the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees be, and each hereby is, authorized, individually and without the concurrence of any other officer, to make, execute and deliver such loan agreements and promissory notes, security agreements, and any other notes, agreements, trusts, receipts, guarantees and any other evidences of VHFA's indebtedness and obligations to the Bank (collectively, the "2010 Ability Line of Credit Documents"); such 2010 Ability Line of Credit Documents to contain such terms and conditions as the signing officer may approve, his or her signature being conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such credit facility: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time.

V. REGARDING THE WAREHOUSE REVOLVING CREDIT FACILITY

RESOLVED: That, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized for, in the name of, and on behalf of, VHFA (each acting singly) to borrow the maximum principal amount of up to Twenty Million Dollars ($20,000,000.00) from the Bank and to extend and/or renew this facility at similar terms in the future to provide bridge financing for the purchase of mortgages and mortgage-backed securities in anticipation of the issuance of bonds.

RESOLVED: That, without limiting the generality of the above resolution, the Executive Director of VHFA or the Chief Financial Officer of VHFA be, and each hereby is, authorized to obtain from the Bank a line of credit facility in the maximum amount of up to Twenty Million Dollars ($20,000,000.00) to be secured by a pledge of the general revenues of VHFA, on such terms and conditions deemed appropriate by the Executive Director of VHFA or the Chief Financial Officer of VHFA.

RESOLVED: That, in connection with the above resolutions, the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees be, and each hereby is, authorized, individually and without the concurrence of any other officer, to make, execute and deliver such loan agreements and promissory notes, security agreements, and any other notes, agreements, trusts, receipts, guarantees and any other evidences of VHFA's indebtedness and obligations to the Bank (collectively, the "2010 Warehousing Line of Credit Documents"); such 2010 Warehousing Line of Credit Documents to contain such terms and conditions as the signing officer may approve, his or her signature being conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That, in connection with the above resolutions, any one of the following officers or employees of VHFA (each acting singly) be, and hereby are, authorized, from time to time, to prepare, execute and submit to the Bank requisitions and other requests for advances and disbursements of funds pursuant to or in connection with such credit facility: Executive Director, Chief Financial Officer or Chief of Program Operations or their designees, and to direct and instruct the Bank as to the payment or disbursement thereof, and to certify to the Bank from time to time the name(s) and title(s) of such officer(s) and employees, and to modify and amend such certifications from time to time.

VI. REGARDING ALL RESOLUTIONS

RESOLVED: That the following resolutions shall apply to all Resolutions stated herein and, generally, to VHFA's relationship with the Bank.

RESOLVED: That each of the Executive Director of VHFA or the Chief Financial Officer of VHFA or their designees, is hereby authorized, acting singly or jointly, to do any and all other things and perform any and all other actions necessary to effectuate the issuance, execution and delivery of any and all additional agreements, documents, certificates, financing statements or other parts as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by VHFA.

RESOLVED: That the Secretary or the Treasurer of VHFA be, and hereby is, authorized and directed to certify, from time to time, to the Bank the contents of these Resolutions; to certify that the provisions hereof are in conformity with the Vermont Housing Finance Agency Act (Title 10 Chapter 25), By-Laws and other documents governing the conduct of the business of VHFA, all as amended; and to certify and attest to the names of the officers of VHFA and their respective specimen signatures.

KeyBank

149 Bank Street
Burlington, VT 05401

PRELIMINARY TERM SHEET

Dated April 30, 2010

Five Proposed Facilities*

VERMONT HOUSING FINANCE AGENCY
(the "Borrower" for all facilities)
164 St. Paul Street
Burlington, VT 05401

*** Does not include existing direct pay letter of credit or interest rate swap facilities**

1. Renewal of Existing 2005 Revolving Credit Facility

(a)	**Credit Facility:**	Renewal of existing 2005 revolving credit facility for an additional 364 days
(b)	**Principal Amount:**	$5,000,000 revolving line of credit
(c)	**Collateral:**	None
(d)	**Guarantor/3rd Party Support:**	None
(e)	**Repayment Terms:**	Monthly interest payments with all principal and accrued interest due at maturity
(f)	**Purpose:**	The facility will continue to be used **(i)** to fund predevelopment costs and **(ii)** for general corporate purposes
(g)	**Rate:**	Overnight LIBOR plus 2.50% with elimination of the 1.50% LIBOR floor
(h)	**Fees:**	0.1% Unused Portion Fee
(i)	**Expenses:**	Borrower shall pay all costs and expenses, including KeyBank's outside counsel fees and any other fees invoiced to KeyBank in connection with this facility
(j)	**Source(s) of Repayment:**	The primary source of repayment will continue to be cash flow derived from the lending operations of the Borrower

Please note that the information contained in this preliminary term sheet is for discussion purposes only, may change at any time, and is not to be construed as any formal or final offer to finance. The issuance of this preliminary term sheet is subject to due diligence and final credit review, and the final financing documents may include different or additional terms and conditions not disclosed herein. This information is provided for Vermont Housing Finance Agency's internal use only and is not to be disclosed to any other person or entity without KeyBank's prior written consent.

2. Renewal of Existing 2008 Purpose and Ability Non-Revolving Credit Facility

(a)	**Credit Facility:**	Renewal of existing 2008 purpose and ability non-revolving credit facility
(b)	**Principal Amount:**	$525,000 (reduced from $15,000,000)
(c)	**Collateral:**	None
(d)	**Guarantor/3rd Party Support:**	None
(e)	**Repayment Terms:**	Monthly interest payments with all principal and accrued interest due at maturity. The commitment for initial advances expired on March 31, 2009. For a project meeting the March 31, 2009 initial advance deadline, additional advances will continue to be allowed with terms up to 24 months from the booking date of the initial advance for such project. The maturity date for advances on a project may be accelerated to 30 days after permanent take-out financing for such project is put in place.
(f)	**Purpose:**	The facility will continue to be used to provide funds that Borrower lends to developers and rehabilitators of multi-family housing projects
(g)	**Rate:**	Fixed at the tax equivalent pricing of KeyBank's cost of funds plus approximately 90 to 115 basis points, and variable at the tax equivalent pricing option of Overnight LIBOR plus approximately 90 to 115 basis points
(h)	**Fees:**	None
(i)	**Expenses:**	Borrower shall pay all costs and expenses, including KeyBank's outside counsel fees and any other fees invoiced to KeyBank in connection with this facility
(j)	**Source(s) of Repayment:**	The primary source of repayment will be the issuance of bonds or the sale or refinance of the respective projects. Borrower must provide KeyBank with written statement/documentation regarding a verified take-out being in place prior to any advances for individual projects.

3. Renewal of Existing 2009 Purpose and Ability Non-Revolving Credit Facility

(a)	**Credit Facility:**	Renewal of existing 2009 purpose and ability non-revolving credit facility
(b)	**Principal Amount:**	$15,900,000 (reduced from $29,300,000)
(c)	**Collateral:**	None
(d)	**Guarantor/3rd Party Support:**	None
(e)	**Repayment Terms:**	Monthly interest payments with all principal and accrued interest due at maturity. The commitment for initial advances expired on March 30, 2010. For a project meeting the March 31, 2009 initial advance deadline, additional advances will continue to be allowed with terms up to 24 months from the booking date of the initial advance for such project. The maturity date for advances on a project may be accelerated to 30 days after permanent take-out financing for such project is put in place. A 60 Day Extension for this facility was provided in 3/2010.
(f)	**Purpose:**	The facility will continue to be used to provide funds that Borrower lends to developers and rehabilitators of multi-family housing projects
(g)	**Rate:**	Variable at Overnight LIBOR plus 3.00% with a 1.50% LIBOR floor, or fixed at the one-year cost of funds plus 1.50%. The Borrower may also choose a tax-exempt equivalent option for either the variable or fixed rate.
(h)	**Fees:**	None
(i)	**Expenses:**	Borrower shall pay all costs and expenses, including KeyBank's outside counsel fees and any other fees invoiced to KeyBank in connection with this facility
(j)	**Source(s) of Repayment:**	The primary source of repayment will be the issuance of bonds or the sale or refinance of the respective projects. Borrower must provide KeyBank with written statement/documentation regarding a verified take-out being in place prior to any advances for individual projects. With the exception of the previously approved Salmon Run project, advances for any single project shall not exceed $6,000,000.

Please note that the information contained in this preliminary term sheet is for discussion purposes only, may change at any time, and is not to be construed as any formal or final offer to finance. The issuance of this preliminary term sheet is subject to due diligence and final credit review, and the final financing documents may include different or additional terms and conditions not disclosed herein. This information is provided for Vermont Housing Finance Agency's internal use only and is not to be disclosed to any other person or entity without KeyBank's prior written consent.

4. New 2010 Purpose and Ability Non-Revolving Credit Facility

(a)	**Credit Facility:**	New 2010 purpose and ability non-revolving credit facility
(b)	**Principal Amount:**	$24,100,000
(c)	**Collateral:**	None
(d)	**Guarantor/3rd Party Support:**	None
(e)	**Repayment Terms:**	Monthly interest payments with all principal and accrued interest due at maturity. The commitment for initial advances will expire on the first anniversary of the closing date. For a project meeting the initial advance deadline, additional advances will continue to be allowed with terms up to 24 months from the booking date of the initial advance for such project. The maturity date for advances on a project may be accelerated to 30 days after permanent take-out financing for such project is put in place. The $3,000,000 Cascades project note will be an exception to the above. Such note will be transferred from the 2009 Purpose and Ability facility and will have a maturity date of June 30, 2011.
(f)	**Purpose:**	The facility will be used to provide funds that Borrower lends to developers and rehabilitators of multi-family housing projects
(g)	**Rate:**	Variable at Overnight LIBOR plus 2.75%, or fixed at the one-year cost of funds plus 2.00%. The Borrower may also choose a tax-exempt equivalent option for either the variable or fixed rate.
(h)	**Fees:**	None
(i)	**Expenses:**	Borrower shall pay all costs and expenses, including KeyBank's outside counsel fees and any other fees invoiced to KeyBank in connection with this facility
(j)	**Source(s) of Repayment:**	The primary source of repayment will be the issuance of bonds or the sale or refinance of the respective projects. Borrower must provide KeyBank with written statement/documentation regarding a verified take-out being in place prior to any advances for individual projects.

Please note that the information contained in this preliminary term sheet is for discussion purposes only, may change at any time, and is not to be construed as any formal or final offer to finance. The issuance of this preliminary term sheet is subject to due diligence and final credit review, and the final financing documents may include different or additional terms and conditions not disclosed herein. This information is provided for Vermont Housing Finance Agency's internal use only and is not to be disclosed to any other person or entity without KeyBank's prior written consent.

		Advances for any single project shall not exceed $6,000,000.

5. **New $20,000,000 "Warehouse" Revolving Credit Facility**

(a)	**Credit Facility:**	New revolving credit facility
(b)	**Principal Amount:**	$20,000,000
(c)	**Collateral:**	Mortgage backed securities
(d)	**Guarantor/3rd Party Support:**	None
(e)	**Repayment Terms:**	Monthly interest payments with all principal and accrued interest due at maturity. The maturity date will be December 31, 2010.
(f)	**Purpose:**	The facility will be used to facilitate the Borrower's participation in the U.S. Treasury New Issue Bond Program
(g)	**Rate:**	Overnight LIBOR plus 1.50%
(h)	**Fees:**	Commitment Fee of 0.25% paid quarterly, in arrears
(i)	**Expenses:**	Borrower shall pay all costs and expenses, including KeyBank's outside counsel fees and any other fees invoiced to KeyBank in connection with this facility
(j)	**Source(s) of Repayment:**	The primary source of repayment will be the issuance of bonds

834756_v1: 1438-00089

Please note that the information contained in this preliminary term sheet is for discussion purposes only, may change at any time, and is not to be construed as any formal or final offer to finance. The issuance of this preliminary term sheet is subject to due diligence and final credit review, and the final financing documents may include different or additional terms and conditions not disclosed herein. This information is provided for Vermont Housing Finance Agency's internal use only and is not to be disclosed to any other person or entity without KeyBank's prior written consent.

VHFA Board of Commissioners Meeting Minutes

Vermont Housing Finance Agency, Burlington
Board Room, Conference Call
Monday, May 10, 2010 at 9:00 a.m.

VHFA Board Member Present:
Tom Pelletier (Chair), Dagyne Canney, Jim Saudade (Designee for Kevin Dorn), Beth Pearce, Polly Nichol (Designee for Gus Seelig), Lisa Randall, Rob Alberts, Bart Frisbie, Tom Candon (in-person)

Staff Present:
Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Pat Crady, Sam Falzone, Dave Adams, Renee Couture, Scott Baker

BOARD MEETING
Mr. Pelletier called the Board meeting to order at 9:06 a.m.

BOARD MINUTES
Mr. Candon moved that the Board approve the April 12, 2010 Board of Commissioners meeting minutes. Ms. Canney seconded the motion, which was approved by all Board members except Ms. Randall, Mr. Saudade, Ms. Nichol, Mr. Alberts and Mr. Frisbie who abstained.

Mr. Pelletier, referencing the April 12, 2010 minutes, asked all Board members to let him know by the end of the day today (5/10/10) which Committee they would like to be on. Ms. Canney stated she will remain on the HR Committee and Ms. Randall said she would defer to the Chair's decision as to where she is most needed. Mr. Pelletier appointed Ms. Randall to the HR Committee and Mr. Seelig to the Audit/Risk Committee.

EXECUTIVE DIRECTOR'S REPORT
Ms. Carpenter reviewed the Executive Director's Report and provided an update on the bills in the Vermont Legislature mentioned in the ED Report: Rental codes bill (H.776) is not going to get heard by the Senate this year. The Mobile Homes and Rent-to-Own bill (H.542) is still in process. Mr. Candon added that both the Mandatory Mediation in Foreclosure bill (H.590) and the BISHCA bill, including new Lender Licensing standards bill (S.287) are sitting on the Governor's desk for signature.

Ms. Carpenter explained that, as far as she knows, Vermont Housing and Conservation Board funding will remain the same.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

Ms. Carpenter then updated the Board on several proposals at the federal level. With respect to the extension of the Rural Development Loan Guarantee program, there is a companion bill in the Senate, but the Senate version increases the fees up to 4%. With respect to the extension of the 1602 Tax Credit Exchange Program, the hope is to hear by Memorial Day. The Financial Reform bill contains provisions that would regulate swap providers, which could have the effect of reducing or eliminating swap providers from the market. This could be onerous for the Agency.

Ms. Canney asked if the Agency had conducted an analysis of the impact of the unemployment tax on payroll expenses. Ms. Carpenter explained that as a reimbursable Agency, VHFA pays unemployment at the time of claims. Any future claims will have an added fee assessed to the amount the Agency will have to pay. The Agency has very few unemployment claims so these unemployment tax changes will have a very minimal effect on the Agency.

Ms. Canney asked if there was an update on the Tiger Team at this time. Ms. Carpenter explained she has not heard anything.

Ms. Pearce asked if there is an update on the private activity bond allocation to municipalities. Ms. Carpenter explained that this something included in the Challenges for Change legislation at the last minute and was introduced without conversation. She will keep an eye on it. Ms. Pearce also inquired about private use limitation and its impact on VHCB. Ms. Carpenter replied that she will affirm that there is no impact.

In regards to discussion, as outlined in the ED report, regarding Wharf Lane, Mr. Frisbie asked that the Agency keep an eye on the cost of preserving a building versus constructing a new one.

ADMINISTRATION

June Board and Audit/Risk Meetings

Ms. Carpenter explained that the meetings in June need to be rescheduled in order to accommodate budget, tax credit allocations and other Board item needs. The proposal is to move the June 1st Audit/Risk meeting to June 14th and move the June 14th board meeting to June 28th, keeping it an all day board meeting. E-mails to confirm committee member availability and a firm date would be sent in the next 24 hours.

FINANCE

Financial Update – 3/31 Quarterly Financial Review

Mr. Connors reviewed the Financial Statement Memo and Financial Update PowerPoint.

Ms. Pearce noted that it would be beneficial to compare FY2010 figures to FY2008 since FY2009 was an off year. Ms. Carpenter said that an analysis could be presented with the FY2011 Budget proposal.

Mr. Connors announced that an RFP for the GASB 53 Audit will be going out. Ms. Pearce asked Mr. Connors to discuss with her the firms to which the RFP would be sent.

Citizens LOC for MacArthur Foundation
Mr. Connors reviewed the Citizens Bank – Revolving Line of Credit memo.

Ms. Canney moved that the Board approve the Citizens Bank Revolving Line of Credit. Mr. Frisbie seconded the motion, which was approved by all members of the Board except Ms. Pearce who abstained and Mr. Candon who was absent for the vote. Ms. Pearce asked for a report on the Agency's total lines of credit, which Mr. Connors agreed to provide in an e-mail.

KeyBank Lines of Credit including Single Family Warehouse
Mr. Connors reviewed the Renewal of Existing and Establishment of New KeyBank Credit Facilities memo.

Ms. Randall expressed concern about making a decision to add a warehousing line of credit at a Board Meeting by conference call. She said that she would be voting no in the absence of an analysis of how the warehousing line would work given she believes the warehousing line is a different way of doing business for the Agency. Ms. Carpenter explained that she did not feel it was different than using our own capital to warehouse loans before bonding which we have done a number of times; and it was not different than the warehouse line we took form the State in 2008. Ms. Randall also expressed concern about lack of diversification. Ms. Carpenter noted that was one of the reasons we reached out to Citizens for the new multi-family line. Ms. Pearce said she would also vote no for now because she would like to see the updated status of all our lines of credit before approving.

Ms. Carpenter explained that as we had discussed in the March meeting, the Agency needs the line of credit soon as we are running out of mortgage loan proceeds. The Agency should not bond prior to having the working line to avoid negative arbitrage. Staff will update the March report and provide a report on the current status of our lines via email.

Mr. Frisbie moved that the Board approve the lines of credit as presented. Ms. Canney seconded the motion which was approved by all members of the Board except Ms. Randall and Ms. Pearce who voted no and Mr. Candon who was not present for the vote.

OTHER BUSINESS
Ms. Canney asked if the Agency is interested in the $50,000 in Workforce Grants as discussed earlier in the year. Ms. Crady said that she expressed interest to Tess, and would follow up with her today (5/10/10).

Ms. Canney moved that the Board adjourn the meeting at 10:43 a.m. Ms. Pearce seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: May 28, 2010

RE: 1602 Credit Exchange Projects: Upper Story & Ellis Block

Recommendation: Staff recommends that the Board adopt resolutions in the forms attached hereto with respect to Upper Story and Ellis Block.

Summary: Project sponsors of Upper Story in Brattleboro and Ellis Block in Springfield have requested that their Housing Credits (previously allocated by the Board) be monetized through the Credit Exchange Program, or Section 1602, of the American Recovery and Reinvestment Act (ARRA). Upper Story has a commitment for 2009 Housing Credits, but has been unable to find sufficient equity investment. Under the 2009 Credit Exchange Program, we have $289,500 left available to monetize, so staff plans to apply for that amount for Upper Story. We are awaiting the approval of federal legislation which would extend the Credit Exchange Program into 2010. Provided that 1602 is extended, staff is planning to submit an application to monetize Housing Credits for Ellis Block. Ellis Block is a small project (9 residential units) that is half commercial (a movie theatre), and has not been able to attract an equity investor in the current market environment. Here is a summary of what will be exchanged:

Project	2009 Credit	2010 Credit	Total Credit	Exchange Amount
Upper Story, Brattleboro	$289,500	$0	$289,500	$2,460,750
Ellis Block, Springfield	$0	$115,500	$115,500	$981,750
		Total	**$405,000**	**$3,442,500**

The total credit amount of $405,000 will be exchanged with Treasury for $3,442,500 ($405,000 x 10 years x $.85). The 1602 program has a formula as to how much credit each State can monetize: it is all of the previous year's returned credit, plus 40% of the current year's credit ceiling. Forty percent of the 2010 ceiling is $972,000. The Ellis Block request to monetize $115,500 will come out of that ceiling, leaving approximately $856,500 (to be adjusted slightly upward when we receive National Pool Credit) for other 2010 projects that may request to monetize some or all of their Credits. Upper Story's request comes out of the remaining 2009 ceiling. (There are no other projects requesting an exchange at this time.).

These 1602 loans will be made to the projects subject to the terms and conditions of existing legislation for Upper Story, legislative approval of the extension of the 1602 Credit Exchange Program for Ellis Block, and Treasury. Once the applications are submitted to and approved by Treasury, the 1602 funds will then be loaned to each project as 0% loans in the amounts listed in the table above. Loan repayment is required only if the projects do not remain in compliance with the award terms. This exchange will allow these projects to continue moving forward despite their challenges in placing equity, and it leaves capacity available for other projects down the road that may need to monetize credits.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: 1602 EXCHANGE FINANCING FOR UPPER STORY HOUSING, TOWN OF BRATTLEBORO

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Windham Housing Trust, Inc. (the "Sponsors") on behalf of Upper Story Housing Limited Partnership in which the Sponsors' subsidiaries or affiliates are co-general partners (the "Borrower") involving the new construction of twenty-four (24) units of general occupancy rental housing in the Town of Brattleboro (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the 1602 Exchange Funds are made available to the Agency under Section 1602 of the American Recovery and Reinvestment Tax Act of 2009 ("ARRA"); and

WHEREAS, the Board of Commissioners adopted a Resolution entitled "Resolution Re: Construction Financing and Proposed Allocation of Allocated Housing Credits for Upper Story Housing, Town of Brattleboro" on June 19, 2009 and another Resolution entitled "Resolution Re: TCAP Financing for Upper Story Housing, Town of Brattleboro" on July 28, 2009 (the "Prior Resolutions") for the commitment of other financing and Allocated Housing Credits to the Development and, though the construction financing will not be used in the financing plan for the Development, the TCAP financing will be used as well as a portion of the Allocated Housing Credits and the remainder of the Allocated Housing Credits will be exchanged for 1602 Exchange Funds for use in the financing plan for the Development; and

WHEREAS, the 1602 Exchange Funds will be used for one or more grants or zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated May 28, 2010, containing information, conditions and recommendations about the 1602 Exchange Financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Determinations in the Prior Resolutions are hereby adopted and incorporated by reference.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more grants or zero percent (0%) mortgage loans to the Borrower for the financing of the Development using 1602 Exchange Funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all requirements of the Act and Section 1602 of the ARRA, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of 1602 Exchange Funds available for the Development shall not exceed $2,460,750.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and Section 1602 of the ARRA, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: 1602 EXCHANGE FINANCING FOR ELLIS BLOCK, TOWN OF SPRINGFIELD

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Springfield Housing Unlimited (the "Sponsors") on behalf of Ellis Block Housing Limited Partnership in which the Sponsors or their subsidiaries or affiliates are co-general partners (the "Borrower") involving the acquisition and rehabilitation of nine (9) units of general occupancy rental housing in the Town of Springfield (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, pending extension of the provisions of Section 1602 of the American Recovery and Reinvestment Tax Act of 2009 ("ARRA"), the 1602 Exchange Funds are made available to the Agency; and

WHEREAS, the Board of Commissioners adopted a Resolution entitled "Resolution Re: Proposed Allocation of Allocated Housing Credits for Ellis Block, Town of Springfield" on April 6, 2009 and another Resolution entitled "Resolution Re: Proposed Allocations of Vermont Affordable Housing Tax Credits (FY2011 State Rental and State Homeownership Credits)" on November 19, 2009 (the "Prior Resolutions") for the commitment of State Rental Credits and Allocated Housing Credits to the Development and, pending the extension, all of such Allocated Housing Credits will be exchanged for 1602 Exchange Funds for use in the financing plan for the Development; and

WHEREAS, the 1602 Exchange Funds will be used for one or more grants or zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Sponsors and the Borrower qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated May 28, 2010, containing information, conditions and recommendations about the 1602 Exchange Financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsors are financially responsible and are qualified housing sponsors within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more grants or zero percent (0%) mortgage loans to the Borrower for the financing of the Development using 1602 Exchange Funds based on the recommendations in the attached Memorandum, conditioned on, among other things, extension of Section 1602 of the ARRA. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all requirements of the Act and Section 1602 of the ARRA, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of 1602 Exchange Funds available for the Development shall not exceed $981,750.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and Section 1602 of the ARRA, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VHFA Board of Commissioners Meeting Minutes
Vermont Housing Finance Agency, Burlington
Board Room
Monday, June 14, 2010 at 8:30 a.m.

VHFA Board Member Present:
Tom Pelletier (Chair), Kevin Dorn, Beth Pearce, Lisa Randall, Tom Candon, Gus Seelig

Staff Present:
Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Dave Adams, Tim Gutchell, Scott Baker, Cindy Reid, Kim Roy, Joe Erdelyi

BOARD MEETING
Mr. Pelletier called the Board meeting to order at 8:44 a.m.

BOARD MINUTES
Mr. Dorn moved that the Board approve the May 10, 2010 Board of Commissioners meeting minutes. Mr. Candon seconded the motion, which was unanimously approved.

FINANCE
Swap Analysis Services for GASB 53 Compliance
Mr. Connors reviewed the Swap Analysis Services for GASB 53 Compliance memo. Mr. Dorn asked what kind of guidance for the future the services will provide. Mr. Connors explained that the Agency is hiring the firm to do a historical analysis. Piper Jaffray is the Agency's Swap Advisor, but the Agency felt it was important to hire a separate firm for GASB 53 to get a different perspective and avoid any appearance of a conflict of interest. The GASB 53 analysis will show effectiveness of what has been done to date. Ms. Pearce explained that it is for financial statement development more than analysis.

Ms. Pearce moved that the Board approve staff's recommendation to hire Swap Financial Group. Ms. Randall seconded the motion, which was unanimously approved.

DEVELOPMENT
1602 Credit Exchange Projects: Upper Story & Ellis Block
Ms. Reid reviewed the 1602 Credit Exchange Projects memo.

Ms. Randall moved that the Board adopt the resolutions with respect to Upper Story and Ellis Block. Mr. Dorn seconded the motion, which was unanimously approved.

Mr. Dorn moved that the Board adjourn the meeting at 8:55 a.m. Ms. Randall seconded the motion, which was unanimously approved.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

vhfa
Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer TC

RE: **General Authorizing Resolution of up to $35 Million in Bonds for Funding Multifamily Projects**

DATE: June 21, 2010 for June 28, 2010 Board Meeting

Board Action Requested: **Approve attached resolution authorizing the issuance of up to $35 million in bonds for multifamily loans**

In order to meet expected future funding demands, staff requests that the Board approve additional authority to issue bonds to fund multifamily loans. Please find attached a "Resolution Authorizing the Issuance and Sale of a Maximum of $35,000,000 of Bonds In One or More Series to Finance Multi-Family Projects" (like prior resolutions for the same purpose.) The Board last approved a similar resolution on November 19, 2009.

VERMONT HOUSING FINANCE AGENCY

Resolution Authorizing the Issuance and Sale of a Maximum of $35,000,000

of Bonds In One or More Series to Finance Multi-Family Projects

Adopted June 28, 2010

TABLE OF CONTENTS

VERMONT HOUSING FINANCE AGENCY
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A MAXIMUM OF $35,000,000 OF BONDS IN ONE OR MORE SERIES TO FINANCE MULTI-FAMILY PROJECTS

June 28, 2010

WHEREAS, the Vermont Housing Finance Agency (hereinafter referred to as the "Agency") is authorized to finance Mortgage Loans for multifamily housing for persons and families of low and moderate income in the State of Vermont pursuant to the provisions of the Vermont Housing Finance Agency Act, being No. 260 of the Vermont Acts of 1973, Adjourned Session, as amended (hereinafter referred to as the "Act"), and to issue its bonds to obtain funds for such purpose and to refund the same; and

WHEREAS, in order to obtain funds with which to provide financing for mortgage loans to acquire, construct, rehabilitate or refinance various developments for persons and families of low and moderate income, such developments as or to be separately approved by the Commissioners of the Agency, it is deemed necessary and advisable to issue and sell one or more series of bonds of the Agency, not to exceed $35,000,000 in the aggregate, all as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE VERMONT HOUSING FINANCE AGENCY and the Commissioners thereof, as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Definitions. As used in this Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"*Bonds*" means the Bonds of the Agency of the Series authorized by this Resolution and a Series Certificate.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*DTC Eligible*" means Bonds issued in book-entry form through the facilities of a securities depository, to provide for the registration of such depository's nominee as owner thereof.

"*General Resolution*" means the resolution entitled "Multi-Family Mortgage Bond Resolution" adopted on February 3, 1977, as amended and supplemented, the resolution entitled "Multi-Family Housing Bond Resolution" adopted on September 25, 1981, as amended and supplemented, or any other resolution adopted by the Agency, and where appropriate shall also include the Trust Indenture approved by the Agency on April 2, 2007, as amended and supplemented, the Trust Indenture dated as of January 1, 2007, as amended and supplemented, the Trust Indenture approved by the Agency on the date hereof and dated as of December 1, 2009 and any other trust indenture approved by the Agency, which resolution or trust indenture permits the issuance of one or more series of bonds thereunder to finance Mortgage Loans or Projects upon the adoption or execution of a series supplemental resolution or trust indenture satisfying the terms and provisions thereof.

"*Mortgage Loan*" means any mortgage loan with respect to a Project authorized by the Act to be made or financed by the Agency.

"*Program*" means the general program of the Agency under which it finances Mortgage Loans for Projects.

"*Project*" means any Residential Housing the Agency is authorized to finance by the Act and which has been approved by separate resolution of the Agency.

"*Offering Statement*" means the Official Statement, Private Placement Memorandum or similar offering document of the Agency describing the Bonds and used in conjunction with the sale thereof.

"*Resolution*" means this Resolution Authorizing the Issuance and Sale of a Maximum of $35,000,000 of Bonds In One or More Series to Finance Multi-Family Projects.

"*Series Certificate*" means the Series Certificate or Certificates of the Agency dated on or before the date of issuance of the related Series of Bonds which Series Certificate shall establish certain terms and provisions of such Bonds as provided herein; a Series Certificate may also be and include a Supplemental Indenture which contains the provisions required hereby of a Series Certificate.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution.

Section 1.02. Authority for Resolution. This Resolution is adopted pursuant to and in accordance with the provisions of the Act and any General Resolution that may be applicable as hereinafter set forth.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds, Principal Amount and Series. In order to provide sufficient funds necessary for the Program, in accordance with and subject to the terms, conditions and limitations established in this Resolution and in any General Resolution applicable thereto, one or more series of Bonds are hereby authorized to be issued, from time to time, each by the execution and delivery of a Series Certificate, in an aggregate principal amount not to exceed $35,000,000. Such Series Certificate shall be signed by at least two of the following—Chairman, Vice-Chairman, Executive Director, Chief Financial Officer or Chief of Program Operations; provided that if the amount of Bonds authorized by such Series Certificate exceeds $5,000,000 one of the signatories thereto must be the Chairman or Vice-Chairman. The Agency is of the opinion and hereby determines (a) that the issuance of Bonds in said amount is necessary to provide sufficient funds to be used and expended from time to time for the Program;

(b) that the Mortgage Loans to be made or financed on behalf of the Agency with the proceeds of the Bonds can be issued bearing a rate or rates of interest which will be less than the prevailing rate of interest on comparable mortgage loans available in the State of Vermont without the assistance of the Agency; and (c) that the Agency will derive receipts, revenues and other income from the Mortgage Loans purchased or made with the proceeds of the Bonds sufficient to provide, together with all other available receipts, revenues and income of the Agency, for the payment of the Bonds and the payment of all costs and expenses incurred by the Agency with respect to the Program or purpose for which the Bonds are issued.

Section 2.02. Purposes. The purposes for which the Bonds are being issued are to provide funds to make or finance Mortgage Loans, including making deposits in any funds or accounts of a General Resolution, and include refunding bonds of the Agency issued for such purpose, all as shall be specified in detail in one or more Series Certificates as hereinafter described. Only Mortgage Loans and Projects approved by separate resolution of the Agency may be financed by the proceeds of Bonds authorized hereby.

Section 2.03. Bond Provisions; Series Certificate. A Series of Bonds shall be issued hereunder only upon the delivery of a Series Certificate which shall specify the terms and conditions of such Bonds and the sale and delivery thereof, including without limitation the following:

(a) the principal amount of Bonds to be issued pursuant thereto;

(b) the Series or sub-Series designation and title;

(c) the maturity or maturities of the Bonds, which in no event shall exceed 40 years, provided that if the Agency otherwise approves a Mortgage Loan with a maturity in excess of 40 years from the date of issuance of the Bonds intended to fund such Mortgage, such Bonds may have a maturity not to exceed six months following the maturity of such Mortgage Loan, subject in any case to limitations imposed by the Act;

(d) the interest rate or rates on the Bonds or the method of determining the same, provided that the interest rate or rates on the Bonds (or the initial rate or rates if the rates are not fixed rates) shall not exceed 7% if the interest on the Bonds is to be exempt from federal income taxation or 9% otherwise, and provided further that if the initial rate or rates are not fixed rates the maximum permitted rate in any case may not exceed 12%;

(e) the date or dates on which interest on the Bonds is payable;

(f) the dated date or dates of the Bonds, or the method of determining the same;

(g) the redemption provisions for the Bonds, which may include optional, mandatory and/or sinking fund redemptions, provided that the Bonds shall be optionally redeemable no later than 15 years after their date of issuance and at a redemption premium not exceeding 3% and reducing by at least 1% annually thereafter;

(h) the minimum and authorized denominations of the Bonds;

(i) whether or not the interest on the Bonds is to be exempt from federal income taxation;

(j) whether or not the Bonds are to be DTC Eligible;

(k) the form or forms of the Bonds, the manner of numbering and lettering such Bonds, and the Agency commissioners or officers authorized to execute and deliver the same;

(l) whether or not the Bonds are to be general obligations of the Agency and in any event the source of revenues to be pledged and used to pay the same, which pledge shall be immediately effective as provided by the Act;

(m) that the Agency will derive receipts, revenues and other income from the Mortgage Loan(s) made or purchased with the proceeds of such Series of Bonds sufficient to provide, together with all other available receipts, revenues and income of the Agency, for the payment of such Series of Bonds and the payment of all costs and expenses incurred by the Agency with respect to the Program or for the purpose for which such Series of Bonds are issued;

(n) the reserve fund or funds, any requirements with respect to the Bonds, and the method of funding the same;

(o) whether the Bonds shall be insured or guaranteed by a third party, and the premium or fee therefor, provided that such premium or fee shall be less than the present value of the interest rate savings on the Bonds occasioned by such insurance or guaranty;

(p) the specific use of the proceeds of the sale of the Bonds, the Mortgage Loans to be financed or refinanced thereby, and any bonds of the Agency to be refunded thereby;

(q) the manner in which the Bonds are to be sold, the purchaser or purchasers of the Bonds, the form of the agreement used to sell the Bonds (which form shall be comparable to the forms previously used by the Agency in similar sales of bonds) and the sale price of the Bonds, which may include a sale discount or fee paid to the purchaser not to exceed 1.5% of the principal amount of the Bonds;

(r) if the Bonds are to be remarketed, the remarketing agent therefor and the remarketing agent fee (which shall not exceed 0.50% per annum);

(s) if the Bonds are subject to tender by the owners thereof, the tender agent therefor and any liquidity facility therefor, provided that any liquidity facility fee shall not exceed 0.50% per annum;

(t) the form of the documents pursuant to which the Bonds are to be issued, and any and all documents in connection therewith;

(u) the form of the Offering Statement, if any used to sell or market the Bonds (which form shall be comparable to the forms previously used by the Agency in similar sales of bonds);

(v) the form of continuing disclosure agreement, if any, required to satisfy the federal securities laws (which form shall be comparable to the forms previously used by the Agency in similar sales of Bonds);

(w) the trustee and/or paying agent, if any for the Bonds, provided that if the Bonds are issued under a General Resolution the trustee and/or paying agent thereunder shall be the trustee or paying agent, as the case may be, for the Bonds;

(x) whether or not any investment agreements, repurchase agreements or similar instruments are to be used for the investment of all or any Bond proceeds, and any conditions thereto or limitations thereon;

(y) if the Bonds do not pay interest at a fixed rate, whether or not any third party agreements will be used to reduce the risks of possible interest rate fluctuations and, if so, any conditions thereto or limitations thereon; and

(z) any other matters not inconsistent herewith deemed appropriate and necessary and authorized by the Act.

A Series Certificate may specify that this Resolution and the Bonds authorized hereby and thereby shall be considered a "Series Resolution" under a General Resolution or a "Supplemental Indenture" under a Trust Indenture, and thereupon this Resolution (as applicable to such Series or Series of Bonds) and such Series Certificate shall be so treated for all purposes with respect to the Bonds authorized and issued thereby, provided that to the extent such General Resolution or Trust Indenture permits modification by a "Series Resolution" or a "Supplemental Indenture" thereunder, the Series Certificate may specify such modifications even though the same are not set forth herein.

ARTICLE III

SPECIAL COVENANTS FOR TAX-EXEMPT BONDS

Section 3.01. Covenants as to Code. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation, the Agency shall not permit at any time or times any moneys made available to purchase Mortgage Loans in accordance herewith or any proceeds of the Bonds to be used, directly or indirectly, in a manner which would result in such bonds being qualified for the exclusion of any such Bond from the treatment afforded by subsection (a) of Section 103 of the Code by reason of such bond being classified as an "arbitrage bond" within the meaning of Section 148 of the Code, and, without limiting the generality of the foregoing, the Agency shall:

(a) Include restrictions in all agreements relating to the purchase or making of Mortgage Loans with the moneys made available to purchase or make Mortgage Loans so as to permit the financing of Mortgage Loans only in compliance with the Code, and establish and maintain reasonable procedures to ensure compliance with the requirements of the Code, if applicable. Any failure to meet such requirements shall be corrected by the Agency within a reasonable period after failure is discovered;

(b) Continuously monitor the nonmortgage investments made directly or indirectly with the proceeds of such Bonds and shall take immediate and appropriate action to reduce the amount invested in nonmortgage investments with a yield materially higher than the yield on such Bonds as may be required by the Code; and

(c) Take such other action as may be necessary or desirable to maintain the exclusion of interest on such Bonds in accordance with Section 103(a) of the Code.

Section 3.02. Rebate. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation:

(a) The Agency hereby covenants to establish such separate accounts or subaccounts as may be necessary or desirable to adequately trace and account for the direct and indirect proceeds of such Bonds in order to comply with the rebate or yield reduction payment requirements of Section 148 of the Code. Such accounts or subaccounts may be established at any time upon the written direction of an authorized officer of the Agency.

(b) At least annually, the Agency shall compute and certify in reasonable detail the amount required to be rebated to the United States pursuant to Section 148 of the Code.

(c) As required by Section 148 of the Code, the Agency or any Bond trustee as directed by the Agency shall pay to the United States on behalf of the Agency the amount then required to be paid under Section 148 of the Code. If for any reason funds are not otherwise available for such payment, the Agency covenants to transfer moneys from its own funds for such payment.

(d) The Agency or any Bond trustee as directed by the Agency shall keep such records as will enable them to fulfill their responsibilities under this Section and shall retain such records for at least six years following final payment of the related Bonds.

Section 3.03. Governmental Program Requirement. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation, the Agency shall not make any arrangement, formal or informal, pursuant to which any mortgagor, mortgage lender or other person (or any related person as defined in Section 147 of the Code) who may receive a Mortgage Loan under the Program shall purchase Bonds of the Series or issue which financed such Mortgage Loan in an amount related to the amount of such Mortgage Loan.

Section 3.04. Compliance With Article III. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation, the provisions of this Article III shall be complied with by the Agency in order to meet the requirements of the Code such that interest on such Bonds shall be and remain exempt from federal income taxes; provided, however, that the Agency shall not be required to comply with any such provision with respect to such Bonds in the event the Agency receives a Counsel's Opinion from a nationally recognized bond counsel firm that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Article III will satisfy said requirements, in which case compliance with such other provision specified in the Counsel's Opinion shall constitute compliance with the provisions specified in this Article III.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Amendments. This Resolution may be amended from time to time prior to the issuance of any Series of Bonds, which right shall be in addition to any other rights to amend. To the extent a Series of Bonds is issued under and pursuant to a General Resolution or Trust Indenture, this Resolution and any Series Certificate with respect to such Bonds may be amended under the conditions and to the extent permitted by such General Resolution or Trust Indenture. To the extent a Series of Bonds is issued only pursuant to this Resolution and a Series Certificate, this Resolution and the Series Certificate may be amended except as restricted hereby, by such Series Certificate or by the Bonds or any other agreement or document executed in conjunction therewith.

Section 4.02. General. The Agency may adopt, and specify in an Officer's Certificate, any additional covenants as to Mortgage Loans, Mortgagors or lenders.

Section 4.03. Authorization of Officers. The Chairman, Vice Chairman or any other Commissioner of the Agency, Executive Director, Treasurer, Chief Financial Officer, Chief of Program Operations and Secretary of the Agency are hereby authorized and directed to do all acts and things (including the conduct of any public hearings required by federal tax laws) and to execute and deliver any and all documents, filings, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by this Resolution or any Series Certificate.

Section 4.04. Effective Date. This resolution shall take effect immediately.

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners; Other Interested Parties

FROM: Joe Erdelyi, Director of Development JE
Cynthia Reid, Senior Development Underwriter CR
Joshua Slade, Development Officer JS

RE: June 2010 Housing Credit Applications

DATE: June 18, 2010

Attachments:

- June 2010 Applicant Table
- Criteria Summary
- Housing Credit checklist
- Budgets, Site Plans, Elevations
- Resolutions

Summary:
Staff received 10 applications requesting $4,237,072 in 9% Credits, three applications seeking $139,000 in State Credits, and three applications seeking $2,074,638 in TCAP funds. There is $2,088,890 in 2010-2011 Housing Credit ceiling remaining; there is $111,000 in FY2011 State Credits available, and $691,546 in TCAP available. Projects in this memorandum are listed alphabetically.

The Allocation Plan has 5 Evaluation Criteria:
1.Consolidated Plan Priorities (5 top tier and 6 bottom tier) : Each project's section in the following memo discusses which Consolidated Plan priorities are met.

2. Preference is given to projects serving lowest income tenants and qualified tenants for the longest period: Each project that obtains a commitment of ceiling credits will have a perpetual affordability requirement, enforced through a Housing Subsidy Covenant. Each project has affordability requirements imposed by the tax credit program, and in addition most projects achieve a higher standard of affordability, again, detailed in each project's write-up.

3. Preference is given to acquisition/rehabilitation of existing federally subsidized projects, where the preservation of the property's affordability is at risk:
There are no federally subsidized at-risk projects in this application round.

4. Geographic Targeting: projects in market areas that have been historically underserved:
There are 6 applications from Chittenden County, 1 from Windham, 1 from Franklin, 1 from Orleans, 1 from Lamoille and 1 from Rutland. The "Tax Credit Status Report" enclosed in the Board packet also provides information on historic geographic distribution of tax credit projects.

5. Developments built to LEED H or Green Communities standards:
Sponsors of Town Meadow in Essex are proposing to construct to LEED standards. Newport Family Housing will meet the Enterprise Green Communities standard, and the scope of work outlined for Black River Overlook would meet Green Communities as well.

Summary of Recommendations:

Staff recommend ceiling credits be allocated to the following projects in the following amounts: Newport Family Housing, $390,000; Morrisville Community Housing, $193,000; Susie Wilson Apartments, $445,000; Village at Leddy Park, $500,000. Staff further recommend that each applicant described in this memo who does not receive ceiling credits be allowed to re-activate their applications after reviewing the staff letters that will outline their project-specific issues, and that the projects can then be brought to the Board to use the remaining unallocated 2010-2011 ceiling credits. This slate of recommendations, if followed, will leave $560,890 unallocated 2010-2011 ceiling credits.

Staff recommend the remaining TCAP funds ($691,546) be conditionally awarded to Stanislaus Apartments and Morrisville Community Housing. In the event that Stanislaus is able to find investors for the remainder of its bond credits, all of the TCAP funds will be awarded to Morrisville Community Housing. In the event Stanislaus Apartments is unable to find an investor for the remainder of its bond credits, the TCAP will be awarded to Stanislaus Apartments. This will allocate all of the remaining TCAP funds.

Staff recommend the State credits be awarded as follows: Spring, Elliot, and Valgar, $50,000 (in a separate memo); Susie Wilson Apartments, $55,000. This will leave $6,000 unallocated FY 2011 State credits.

Black River Overlook 2010

Name:	Black River Overlook	**Location:**	Ludlow
Housing Type:	General Occupancy	**Unit Type:**	Flats & Townhouses
Unit Count:	25 Total 25 Housing Credit	**Unit Sizes:**	15 2-Br @ 714 s. f. 10 3-Br @ 918 s. f.
Total Cost:	$4,902,509	**Per Square Foot Land & Buildings Cost:**	$153
Housing Credits:	$327,300 $34,000 in State Credits	**Sponsor:**	Rockingham Area Community Land Trust and Housing Vermont
Other Funding Sources:	VHCB, HOME, RD 515, Energy Funds		

Summary: This property was developed by Realty Resources as a 9% tax credit project in 1996, and at that time consisted of 25 newly constructed units near Okemo ski area. The property suffered from some construction defects, high vacancy rates, and poor property management. After the sponsor refused to honor some General Partner obligations to bring the project back on track, Housing Vermont agreed to step in as a replacement General Partner. Since 2008 Stewart Property Management has been making progress at addressing some of these issues, but the overall success of the development depends on a new capital infusion and on new project-based operating subsidies. To address those needs the sponsors seek funding under the Rural Development 515 program.

Tax Credit Summary: The project was not fully scored and evaluated by staff. The development as proposed cannot proceed because the funding plan involves a new partnership, a new financing package, and a new tax credit compliance period. However, the project has not yet run its initial 15 year tax credit compliance period from its original allocation. That period runs through the end of calendar year 2011. Staff have provided the sponsors with feedback on how the project fares on the evaluation criteria, and staff encourage the sponsors to seek other funding commitments in the interim, but because (as it is structured) the first credits the project can use would be 2012 ceiling credits, then it seems fair and appropriate to ask the sponsors to apply at such time as they can receive an allocation from the 2012 ceiling.

Recommendation: Staff recommend the project re-apply for credits in 2011 for an allocation from the 2012 ceiling, if needed, or restructure the financing to move forward sooner using bond credits.

Brookside Apartments Phase II

Name:	Brookside Apartments II	**Location:**	St Albans
Housing Type:	General Occupancy	**Unit Type:**	Flats
Unit Count:	37 Total 37 Housing Credit	**Unit Sizes:**	13 1-Br @ 719 s. f. 22 2-Br @ 854 s. f. 2 3-Br @ 978 s. f.
Total Cost:	$5,732,417	**Per Square Foot Land & Buildings Cost:**	$116
Housing Credits:	$376,136	**Sponsor:**	Bove Brothers LLC
Other Funding Sources:	Amortizing Debt, AHP, Deferred Developer's Fee		

Summary: Bove Brothers LLC is the developer and Homestead Design Inc is the development consultant (and its affiliate is the contractor) on Brookside Apartments Phase I, a three story new construction apartment building with parking underneath, currently under construction on this larger site. Brookside Apartments Phase I was approved by the Board for credits in February 2008 and subsequently for an increase in credits in September 2008, due to a decline in equity pricing. The construction is proceeding according to schedule and in some units carpets and finishes are now being installed. Brookside Phase I has 37 apartments, of which 37 will be tax-credit restricted. At the time of Board approval, it was represented that the larger site would ultimately be mixed-income, with some low-income rentals, some market-rate rentals, and some for sale homes (within VHFA's price limits). On the basis of this representation, staff supported a request by the developer to waive the mixed-income requirement, that would have required two units in the first phase be unrestricted, market-rate rentals. Staff have concerns that the Brookside Phase II development is now seeking approval for credits for a new 100% low income development before any market-rate housing of any type has been developed on the larger site (which seems to counter the earlier intent of making the larger site mixed-income.) The Brookside Phase II proposal does include the developer's intent to seek some project-based Section 8 units, which if received WOULD target a different market segment than Phase I did - a much lower income market. Staff are acutely aware of the great need for housing for very low income households, and routinely encourage developers to pursue it. In the rare unlikelihood that the Brookside II proposal could receive project-based rental assistance for all 37 units, staff would consider a request to waive the requirement that some of the units be unrestricted, market-rate rentals.

Tax Credit Summary: The project needs to meet three upper tier and one other (upper tier or lower tier) of the "State's Consolidated Plan" priorities, to be an eligible application for ceiling credits. It is not clear from the materials submitted that the project does. The project at least meets one upper tier and one lower tier, and it may meet as many as two upper tier and four lower tier, priorities. (Staff can request a waiver from the Board for this threshold, and if the project in fact does meet two upper tier and two or more other priorities, staff would consider supporting this waiver.) Staff believe it will take more review to determine eligibility under the Plan

Recommendation: Staff recommend the sponsor work to address the items outlined by VHFA staff in its rejection letter in order to re-activate this application later this year, or to become eligible to re-apply in the future.

Centre Drive, Milton

Name:	Centre Drive	**Location:**	Milton
Housing Type:	General Occupancy	**Unit Type:**	Flats
Unit Count:	24 Total 23 Housing Credit	**Unit Sizes:**	8 1-Br @ 722 s. f. 16 2-Br @ 1,064 s. f.
Total Cost:	$4,289,733	**Per Square Foot Land & Buildings Cost:**	$100
Housing Credits:	$263,161	**Sponsor:**	Bove Brothers LLC
Other Funding Sources:	Amortizing Debt, TCAP, Deferred Developer's Fee		

Summary: Rick Bove, who has developed one tax credit development in Burlington and has another under development in St. Albans, has engaged Nickerson Eller LLC as development consultants and they are together working on this project. This site is a level 1.14 acre parcel in Milton with one unused commercial structure on it (to be demolished), and it is served by municipal water and sewer. It is surrounded by commercial and residential uses, and is close to schools, a health center, recreation fields, a library, and a supermarket. Rick Bove has negotiated a land lease with the owner, who has agreed to the perpetual restrictions that the housing credit program carry with it. (Staff are unsure by what mechanism lease payments will be set and kept at a level that will ensure perpetual affordability.) The proposed project would be a single wood-frame building with parking under and surface parking, four stories with an elevator. The ground floor would be commercial space, and tenants for half of the commercial space have been found. The architect is Greg Rabideau, and the property would be managed by EP Property Management. At local public meetings the sponsor received feedback that the project addresses the town's goals for the area, and he received positive comments from the public. The property has all local permits and anticipates no major opposition in getting State permits, by as soon as August 2010 if approved for credits.

Tax Credit Summary: The project appears to meet three upper tier priorities of the Con Plan criterion (infill new construction in low vacancy community, family housing, removal of blight) and one lower tier priority (universal design standards). The possibly blighted structure was formerly a small restaurant, and is currently vacant. The project's market study was done in November 2007 by Kurt Kaffenberger and updated in June 2010. The sponsor is seeking project-based rental assistance with VSHA, and if obtained, would be able to serve households at or below 30% of Area Median Gross Income, and serve households on Public Housing waiting lists, but a commitment for project-based rental assistance is not in-hand and not likely to be forthcoming any time soon, so staff are not inclined to recommend an allocation of credits conditionally upon receipt of this resource.

Recommendation: Staff recommend the sponsor work to address the items outlined by VHFA staff in its rejection letter in order to re-activate this application later this year, or to become eligible to re-apply in the future.

Essex Town Center - Hausner Building

Name:	Hausner Building	**Location:**	Essex
Housing Type:	General Occupancy	**Unit Type:**	Flats
Units Count:	38 Total 38 Housing Credit	**Unit Sizes:**	28 1-Br @ 672 s. f. 8 2-Br @ 1,080 s. f. 2 3-Br @ 945 s.f.
Total Cost	$6,749,734	**Per Square Foot Land & Buildings Cost:**	$170
Housing Credits:	$757,072	**Sponsor:**	Homestead Design Inc.
VHFA Debt:	$691,796 - Permanent		
Other Funding Sources:	Debt, CDBG, HOME and Deferred Developer Fee		

Summary: The Hausner Building is the planned next phase of the Essex Town Center development on Carmichael Street in Essex. The Essex Town Center project began in 1998 with 44 units of mixed income apartments built over 16,000 square feet of commercial space. Since then the Essex Town Center has grown to include a number of additional buildings housing offices, restaurants, commercial spaces and additional apartments. It is a new, pedestrian oriented village built around the principles of smart growth.

The proposed Hausner Building will be 38 units of affordable housing over 18,000 square feet of commercial space. There will be underground parking. The units will be energy efficient and employ many universal design principles. Concurrently with this building there will be an extension of Carmichael Street through to Essex Way and Old Stage Road through to the Essex Outlet Fair. Additionally a series of triplex apartments units over more commercial space will be constructed. These apartments will then be sold as investment units to third party investors. The majority of the new units in the Hausner Building are one bedroom units. The master development plan is permitted. Amendments for the new phase will have to be approved.

The developer has requested VHFA permanent financing in the amount of $691,796. The initial DCR is 1.24%; however, the DCR rapidly declines so that by the fifth year the project would need a sinking fund to service the debt. The rents, although not at the maximum tax credit rent, are high and an upward adjustment would not be sufficient to cover both expenses and debt service at that time. The project would have sufficient LTV to support the amount of the request.

Tax Credit Summary: The Hausner Building does not meet the threshold requirement for mixed income housing. The Qualified Allocation Plan requires that projects over 20 units have at least 5% affordable units. The Hausner Building would require a waiver of that requirement. The project meets only two upper tier priorities: 1. Infill new construction in communities with a vacancy rate of 3.5% or less; and, 2. Project is close to a village center. Although the project is not close to the Essex Junction Village Center, it is a smart growth project located in a site with amenities and services found in village centers. The project meets one lower tier priority: 1. Universal design.

Recommendation: Staff recommend the sponsor work to address the items outlined by VHFA staff in its rejection letter in order to re-activate this application later this year, or to become eligible to re-apply in the future.

Morrisville Community Housing, Morrisville

Name:	Morrisville Community Housing	**Location:**	Morrisville & Stowe
Housing Type:	General Occupancy	**Unit Type:**	Flats & Townhouses
Unit Count:	16 Total Units 16 Housing Credit Units	**Unit Sizes:**	5 One-BR @ 802 sf 7 Two-BR @ 983 sf 4 Three-BR @ 1190 sf
Total Cost:	$3,286,741	**Per Square Foot Land & Buildings Cost:**	$162
Housing Credits:	$193,000	**Sponsors:**	Lamoille Housing Partnership (LHP) & Housing Vermont (HVT)
TCAP Request:	$691,546		
Other Funding:	VHCB; VHCB Lead; Historic Tax Credits; Energy Funds, TCAP		

Summary: HVT & LHP propose to form a limited partnership and acquire five buildings – four in Morrisville and one in Stowe, in order to financially restructure, rehabilitate and preserve the housing. LHP currently owns all five buildings totaling 16 units, none of which have previously utilized tax credits (they are the oldest and smallest buildings within LHP's portfolio). Their addresses are: 75 George Street, 81 & 93 Summer Street and 61 Cherry Avenue in Morrisville, and 1621 Pucker Street in Stowe. One of the buildings is eligible to receive Historic Tax Credits. The properties have a low vacancy rate and have been managed well; however they are in need of rehabilitation and energy upgrades. Going forward the project will have higher replacement reserve deposits. This project is in a good position, among the projects in this allocation round, to use the TCAP funds which were previously allocated to another project but returned. The TCAP funds need to be 75% drawn by 2/2011, and many of the projects in this round would not be able to meet that requirement. At VHFA staff's recommendation, the project sponsors tried to make this development work using 4% Housing Credits. Due to the issues specific to drawing TCAP and tax-exempt bond funds within required timeframes, this was a challenge which proved to be unworkable. Therefore, the sponsors are requesting 9% Credits (all of which will go to rehab and none to acquisition) and TCAP funds. All required state and local permits should be in hand by summer 2010. New VHCB funding has been committed. The sponsors have also requested energy funding from the State and anticipate a decision by July. Construction is anticipated to begin in September and be completed by July 2011. Alliance property management currently manages the property and will continue to play that role.

Tax Credit Summary:
The project meets three top tier criteria: It is a rehabilitation project; it is family housing; and it is near a designated village center. The sponsors are seeking a waiver from meeting a fourth criteria, due to these reasons: the project is too small to make mixed income financially feasible; universal design would be difficult for a rehabilitation project of five existing buildings; and though there are existing tenant vouchers, it is very challenging to obtain new project based vouchers thereby meeting the 30% of household income criteria. Because this is a project which currently serves predominantly very low income households, and this housing will be improved and its affordability preserved, staff recommends that the Board waive the requirement that a fourth criteria be met, as the project is currently serving low income households with rents below the maximum levels. Market Study has been commissioned and will be available in June. Due to the high occupancy rate

and the fact that the study has been ordered, staff is proceeding with recommending this project to the Board.

Recommendation: Staff recommends \$193,000 in 9% Housing Credits and \$691,546 in TCAP funds for Morrisville Community Housing conditional upon Stanislaus Housing (discussed later in this memo) obtaining full equity investment as a 4% Housing Credit deal by June 25th, 2010. If Stanislaus is not able to obtain a full equity commitment by that date, then staff recommends awarding the TCAP funds to Stanislaus to enable it to go forward as a 4% Credit deal. Morrisville will then have a funding gap it will need to seek other sources to fill.

Newport Family Housing, Newport

Name:	Newport Family	**Location:**	Newport
Housing Type:	General Occupancy	**Unit Type:**	Townhouse and flats
Unit Count:	21 Total 21 Housing Credit	**Unit Sizes:**	6 1-Br @ 771 s. f. 10 2-Br @ 928 s. f. 5 3-Br @ 1,130 s. f.
Total Cost:	$6,184,828	**Per Square Foot Land & Buildings Cost:**	$216
Housing Credits:	$390,000	**Sponsor:**	Gilman Housing Trust and Housing Vermont
Other Funding Sources:	RD 515, VCDP, VHCB, HOME, EVT/VCIL		

Summary: Gilman Housing Trust and Housing Vermont developed the Sleeper Place properties (six buildings, fourteen units) as affordable housing in 1992 as an acquisition/rehab development. The buildings used low income housing tax credits, VHCB, and HOME funds. The buildings were old at the time, and the rehab that was done was adequate to address basic needs and create decent, safe, and sanitary housing, but the units were not made like-new. Now the properties at Sleeper Place would be very expensive to upgrade, and GHT is endeavoring to strengthen their portfolio and consolidate some of their properties that were developed on a smaller scale. The plan with Sleeper Place is to combine it with two other existing buildings (48 Pleasant, a blighted, vacant structure on an adjacent lot) and 343 Main (currently owned by Northeast Kingdom Community Action Inc.), to tear down five of the six Sleeper Place buildings and other ancillary structures, to rehab the buildings at 343 Main and 48 Pleasant, and to construct 14 units in two buildings on the newly vacant lot. This redevelopment would allow for better parking, green space, and play areas as well as fewer buildings overall, which will mean greater efficiencies can be achieved in the operating budget (fewer building envelopes and heating systems to install and maintain and lower heating costs). GHT was able to obtain permission from the State Historic Preservation Office for this demolition in part because the buildings to be demolished are set back from the road and not very visible from it. The sponsors intend to meet both VHFA's Green Building and Design Standards and the Enterprise Green Communities standard, and to install solar panels for domestic hot water. The units will all be Energy Star rated. The project needs an Act 250 permit (a minor application) and water and wastewater permit amendments, but no storm water permit. To make the redevelopment feasible, the sponsors are seeking RD 515 financing and rental assistance for all 21 units, as well as Housing Credits, VHCB, HOME, and VCDP funding. Gilman Property Management Inc. (an affiliate of GHT) has managed the property to date and will continue on as property manager.

Tax Credit Summary: The project meets three top-tier priorities (rehab/new construction in a low vacancy market area, family housing, near a designated downtown) and partially meets another (removal of blight – the property on 48 Pleasant is not inhabitable), and meets one lower tier (universal design – on the new units, and to the extent feasible on the rehab units). The sponsors seek a waiver from the mixed-income threshold requirement because of the RD 515 funding that is being sought for all units, which if awarded will bring more new federal resources to the project, and will enhance the financial feasibility of the development as a whole.

Recommendation: Staff recommend the award of $390,000 in ceiling credits to this development subject to the receipt of RD 515 funding (including rental assistance) under the current RD funding round.

Stanislaus Housing, West Rutland

Name:	Stanislaus Housing	**Location:**	West Rutland
Housing Type:	General Occupancy	**Unit Type:**	Flats & One Townhouse
Unit Count:	21 Total Units 20 Housing Credit Units	**Unit Sizes:**	10 1-BR @ 545 avg sf 9 2-BR @ 771 avg sf 2 3-BR @ 865 avg sf
Total Cost:	$4,402,120	**Per Square Foot Land & Buildings Cost:**	$254
TCAP Request:	$691,546	**Sponsor:**	Housing Trust of Rutland County
Other Funding:	VHCB, HOME, NSP, VHCB Lead & Feasibility, Efficiency Vermont, Historic Tax Credits, Bond Credits, State Tax Credits, Construction Loan		

Summary: The VHFA Board of Commissioners previously approved construction financing, bond credits and State Credits for this project on November 19, 2009. But for obtaining full investment for the Housing Tax Credits, the project is ready to go. Sponsors have requested TCAP funds of $691,546 in order to make up a portion of the equity they are unable to obtain investors for. The project will continue to use VHFA as the construction lender.

Updates since November-09 Board Meeting:

The development has both local and Act 250 permit approval;
All soft funding is committed;
Have investors for half of the Federal Housing Credits and all of the State Credit;
The project is out to bid and bids are due back June 23rd;
The project has $1,248,000 of NSP funds which require that the project be under contract to begin construction before September 30, 2010.

Tax Credit Summary:
The project meets four top tier criteria: It is a rehabilitation project; it is family housing; it is near a designated village center; it involves the removal of blight. It has one project-based Section 8 rental certificate. The market study strongly supports the project.

Recommendation: Staff recommends awarding $691,546 to Stanislaus Housing **only** if the project sponsors are not able to obtain full equity investment by June 25, 2010. If Stanislaus obtains a commitment for 100% of their tax credit equity by June 25th, then staff recommends awarding the TCAP funds to Morrisville Community Housing.

Susie Wilson Apartments

Name:	Susie Wilson Apartments	**Location:**	Essex
Housing Type:	General Occupancy	**Unit Type:**	Flats
Units Count:	30 Total 25 Housing Credit	**Unit Sizes:**	6 1-Br @ 690 s. f. 24 2-Br @ 1,000 s. f.
Total Cost	$5,369,579	**Per Square Foot Land & Buildings Cost:**	$162
Housing Credits:	$445,000	**Sponsor:**	Champlain Housing Trust and Housing Vermont
Construction Financing	$3,920,000		
Other Funding Sources:	Debt, HUD EDI, VCDP, REEP, State Tax Credits		

Summary: Susie Wilson Apartments is a turn-key project with Champlain Housing Trust and Housing Vermont under contract to purchase a newly constructed, 30-unit apartment building on Susie Wilson Road in Essex from the Snyder Companies. Snyder has a contract to purchase the fully permitted site at 47 Susie Wilson Road from Junction Development Company.

The site is a 2.2 acre parcel that has been approved as a PUD and set up with a condominium structure with two condominium units. Unit #1 is an existing 4-bay, self service carwash facility closer to Susie Wilson Road. Unit #2 is a flat, undeveloped section of land set 180' back from the road and 30' south of the carwash where the new building will be constructed. While Susie Wilson Road is a dense mixed-use corridor, this rear parcel is surrounded by residential neighborhoods.

The new building will include 30 apartments. There will be underground and surface parking. Landscaping will differentiate and shield the project from the carwash. The only common element held with the carwash is a short section of the driveway. All utilities are separate. It will be constructed to VHFA Green Building and Design Standards. All permits are in place and construction can begin as soon as there is an equity commitment.

The Snyder Companies has requested construction financing from VHFA in the amount of $3,920,000. The contracted sales price of the building to CHT and HVT is $4,355,000. The loan requested is 90% of the purchase price. VHFA will request assignments of all financing commitments from the partnership to secure the loan.

Tax Credit Summary: The project meets three upper tier and one lower tier priorities: 1. Infill new construction in communities with a vacancy rate of 3.5% or less; 2. Family housing; 3. Project is close to a village center; and lower tier: 1. Universal Design. Champlain Housing Trust is going to apply for project based Section 8 from the Winooski and Burlington Housing Authorities. It should be noted that that the project is 16% market rate, so although the project does not meet the 20% evaluation criteria priority of the Allocation Plan, it is significantly over the threshold criteria of 5%. The market study supports this project.

Recommendation: Staff recommends Board approval for the credit allocation to HVT and CHT, and $3,920,000 construction loan to Snyder Companies.

Thayer Commons Family Housing

Name:	Thayer Commons Family Housing	**Location:**	Burlington
Housing Type:	General Occupancy	**Unit Type:**	Flats
Units Count:	33 Total Units 26 Housing Credit Units	**Unit Sizes:**	12 1-Br @ 675 s. f. 18 2-Br @ 950 s. f. 3 3-Br @ 1330 s.f.
Total Cost	$7,617,222	**Per Square Foot Land & Buildings Cost:**	$203
Housing Credits:	$600,000	**Sponsor:**	Champlain Housing Trust & Housing Vermont
Other Funding Sources:	VHCB, HOME, HUD EDI, NeighborWorks, Efficiency Vermont, Permanent Debt		

Summary: Thayer Commons Family Housing is part of a larger redevelopment in the commercial center of the New North End that will redevelop the State owned DMV building and parking lot on North Avenue with a new mixed use and mixed income development. The master plan calls for the development of senior housing (see Village at Leddy Park), market rate housing, and new and renovated commercial space to be developed by Eric Farrell. All four owners will use the same consultants and architects, but will finance and construct separately.

The redevelopment of this site was made possible through the rezoning of the area as "Neighborhood Activity Center District." This distinction recognizes that large cities are fully (or nearly fully) developed in their centers and often have a "second downtown" such as the New North End. In order to encourage the development of a walkable livable city, land use planners are promoting appropriate development of the "second downtown". Staff recommends the Board treat this distinction as a designated downtown or village center as identified in the Qualified Allocation Plan. The site is immediately adjacent to a grocery store, pharmacy, medical offices, bank, hardware store, Leddy Park and the bike path.

Tax Credit Summary: The project meets four upper tier and two lower tier priorities: 1. Infill new construction in communities with a vacancy rate of 3.5% or less; 2. Family housing; 3. Project is in a designated downtown or village center (it should be noted that although the site is not the downtown of Burlington it is a Neighborhood Activity Center District); and finally, 4. Project proposes the removal of blight. Also, this project is part of a larger development which will rectify the unusable state owned office building, so although it as a standalone project does not remove blight, it is part of a master development which will. The lower tier priorities are as follows: 1. Mixed Income Housing Development; and, 2. Universal Design. The market study supports the project.

Recommendation: Staff recommend the sponsor work to address the items outlined by VHFA staff in its rejection letter in order to re-activate this application later this year, or to become eligible to re-apply in the future.

Town Meadow, Essex

Name:	Town Meadow	**Location:**	Essex
Housing Type:	Senior & Family	**Unit Type:**	Flats
Unit Count:	49 Total Units 44 Housing Credit Units	**Unit Sizes:**	24 One-BR @ 641 sf 25 Two-BR @ 925 sf
Total Cost:	$7,086,203	**Per Square Foot Land & Buildings Cost:**	$122
Housing Credits:	$367,551	**Sponsor:**	Town Meadow LLC (Brad Dousevicz)
Loan Requested:	$3,140,000 Permanent Loan		
Other Funding:	Land Equity		

Summary: Town Meadow is a proposed senior/family development in Essex being developed by Brad Dousevicz in collaboration with Rabideau Architects, O'Leary Burke Civil Associates, Dousevicz Inc., and Nickerson Eller LLC (Development Consultant). This is a proposed new three-story building with underground parking, a dining room with a community kitchen, common area, nurse's office, laundry facility and storage. The development is fully permitted. The Consultants have been working on obtaining investor interest in the Housing Credit equity and in the construction financing. They are requesting permanent debt from VHFA along with 9% Housing Credits. Staff underwriting of this application raised the following concerns: The debt coverage ratio at 110% is inadequate for our bonding requirements; the proposed per unit month operating expenses are significantly lower at $359/ month than comparable properties in VHFA's portfolio, which averaged $441 (audited) in 2008. In addition, this property, as a proposed family/senior mix, would likely have a higher than average operating expense due to higher wear and tear. The rents are proposed at 90% of maximum 60% tax credit rents, so while there is some room for increased revenue, there is not a lot, particularly in consideration of nearby facilities offering more affordable rents. Last, even though there is a community kitchen and dining room, nurse's station and other common area, there is nothing budgeted for services, either for seniors or families. This is a concern for staff, as independent senior housing without services is not a priority under the Allocation Plan, we prefer to see some level of services even in independent senior housing, and there is a brand new service-enriched senior housing development next door. EP Management is going to be the property manager. They manage both senior and family housing in the market area.

Tax Credit Summary:

The project meets two top tier criteria and one lower tier criterion: It is a new construction project in a low vacancy area; it is near a designated village center; and it is planned to incorporate universal design principles. It also proposes to meet a third top tier criterion: offering a majority (25 of 49) of family housing units. Staff requested that the sponsors submit a legal opinion that the mix of family and senior units in one building complied with the Fair Housing Act. The sponsors have proposed to create a condominium, with a senior wing and a family wing, but there is insufficient detail with regards to ownership/legal structure, financing structure, and building design, to adequately evaluate this proposal. If the project is divided into two, a family wing and a senior wing, the family wing may be eligible for 9% Credits but the senior wing likely not, leaving it with a funding gap. The condo projects would need to at least be evaluated individually for compliance with the Allocation Plan, if not submitted as two separate projects.

The market study that was submitted a year ago when the project applied as 100% senior housing raised concerns about the lease up period (approximately 10 months from completion), the rent levels (the study recommended trying to increase affordability to enhance demand for the units), and that there is some "risk that the development cannot be supported by existing market area renter households" due to the high capture rate.

In response to these concerns, and knowing that three Essex projects would be coming in around the same time seeking tax credits, VHFA staff commissioned an independent market analysis of the Essex area, which considered all three Essex projects. The cost of the study was covered equally by the sponsors of the three Essex projects. In sum, the report cited: 1)There's a relatively greater demand for subsidized family housing in Chittenden County than for subsidized senior housing; 2) With both family and senior housing, the greatest demand is from those at the lowest income levels (need for deep subsidy); 3) There is less affordable rental housing for both families and seniors in Essex relative to South Burlington, Williston, Colchester, thus some pent up demand for both in that community; 3) New affordable senior units coming on line in 2010-2011 will likely mean a longer absorption rate for those projects, from several months to one year. From this, staff understands the greatest need in Essex at this time to be for family housing, with rents as affordable as possible, and relative to the other Essex projects in this round, this is not the strongest Essex project.

Recommendation: Staff recommend the sponsor work to address the items outlined by VHFA staff in its rejection letter in order to re-activate this application later this year, or to become eligible to re-apply in the future.

Village at Leddy Park

Name:	Village at Leddy Park	**Location:**	Burlington
Housing Type:	Senior	**Unit Type:**	Flats
Units Count:	38 Total Units 31 Housing Credit Units	**Unit Sizes:**	29 1-Br @ 610 s. f. 9 2-Br @ 880 s. f.
Total Cost	$8,015,137	**Per Square Foot Land & Buildings Cost:**	$238
Housing Credits:	$500,000	**Sponsor:**	Cathedral Square Corporation
Other Funding Sources:	VHCB, NSP, City Housing Trust, HUD EDI, HUD 202, Efficiency Vermont, and a Deferred Development Fee		

Summary: Village at Leddy Park is part of a larger redevelopment in the commercial center of the New North End that will redevelop the State owned DMV building and parking lot on North Avenue with a new mixed use and mixed income development. The master plan calls for the development of senior housing (see Village at Leddy Park), market rate housing, and new and renovated commercial space to be developed by Eric Farrell. All four owners will use the same consultants and architects, but will finance and construct separately.

The redevelopment of this site was made possible through the rezoning of the area as "Neighborhood Activity Center District." This distinction recognizes that large cities are fully (or nearly fully) developed in their centers and often have a "second downtown" such as the New North End. In order to encourage the development of a walkable livable city, land use planners are promoting appropriate development of the "second downtown". Staff recommends the Board treat this distinction as a designated downtown or village center as identified in the Qualified Allocation Plan. The site is immediately adjacent to a grocery store, pharmacy, medical offices, bank, hardware store, Leddy Park and the bike path.

Tax Credit Summary:
The project meets four upper tier and one lower tier priorities: 1. Infill new construction in communities with a vacancy rate of 3.5% or less (it should be noted that although the site is not the downtown of Burlington it is a Neighborhood Activity Center District); 2. Project is in a designated downtown or village center; 3. Project incorporates a majority of special needs populations (see description below); and finally, 4. Project proposes the removal of blight. Also, this project is part of a larger development which will rectify the unusable state owned office building, so although it as a standalone project does not remove blight, it is part of a master development which will. The lower tier priorities are as follows: 1. Universal Design. If the project is awarded HUD 202 twenty of the units will have with rental assistance which would qualify it for two additional lower tier priorities: 1. Housing affordable to households less than or equal to 30% AMI; and, 2. Project serves households on public housing waiting lists.

Typically staff does not encourage developers to propose senior housing projects for 9% credits; however, this housing will be service enriched and meets the special needs definition in the Qualified Allocation Plan. Cathedral Square plans to implement the Seniors Aging Safely at Home (SASH) model of housing with services. A team, composed of a SASH Coordinator (50 hours/week), a Wellness Nurse (16 hours/week) and designated community partner staff, will meet weekly to review resident assessments and create the first drafts of individual Healthy Aging Plans. These plans outline suggested goals and interventions to meet the needs identified. The SASH team will also develop a Community Healthy Aging Plan (CHAP) which will address the broader needs of the community. For example, a CHAP could focus on medication management, falls prevention or chronic condition management. CSC already uses this model at the nearby Heineberg Senior Housing. The market study supports the project.

Recommendation: Staff recommends the project for Board approval conditioned on an approval of HUD 202 and the approval of the service plan by Department of Disabilities, Aging and Independent Living (DAIL).

Applications for June 28, 2010 Tax Credit Round			Available Resources					
			2,088,890	unlimited	111,000	unlimited	unlimited	691,546
6/22/10								
Allocated (9%) Credit Projects								
Project	Location	Developer(s	9%	4%	State Credit	Const Loan	Perm Loan	TCAP
Black River Overlook	Ludlow	HVT & RACLT	327,300		34,000			
Brookside Apts Phase II	St. Albans	R Bove	393,988				1,855,000	
Centre Drive, Milton	Milton	R Bove	263,161					691,546
Hausner Building, Essex	Essex	HDI	757,072				692,000	
Morrisville	Morrisville	LHP & HVT	193,000					691,546
Newport Family Housing	Newport	GHT & HVT	390,000					
Susie Wilson Road	Essex	HVT & CHT	445,000		55,000	3,920,000		
Thayer Commons Family	Burlington	HVT & CHT	600,000					
Town Meadow	Essex	B Dousevicz	367,551				3,140,000	
Village at Leddy Park, Senior	Burlington	CSC	500,000					
Bond (4%) Credit Projects								
Stanislaus Housing	West Rutland	HTRC						691,546
Spring Elliot & Valgar	Brattleboro	WHT		158,500	50,000	2,300,000		
Randolph House	Randolph	RACDC		68,000		2,085,000	1,582,000	
		TOTALS >>>	4,237,072	226,500	139,000	8,305,000	7,269,000	2,074,638

State Consolidated Plan Priorities / Other Priorities Table

	First Tier						Second Tier							
	Rehab or Vacancy <3.5%	Family Housing	N/A	Downtown or Village Center	Removal of Blight	Special Needs	Mixed Income	Universal Design	Unique Design	<30% or targets homeless	Public Housing	Eventual Tenant Ownership	Total	Housing Credit Amount
June 2010														
Black River Overlook													0%	$ 327,300
Brookside II St. Albans													0%	$ 398,988
Centre Drive Milton	XX	XX			X			X					38%	$ 263,161
Hausner Building Essex	XX			XX				X					31%	$ 757,072
Morrisville Community	XX	XX		XX									38%	$ 193,000
Newport Family Housing	XX	XX		XX	X			X		X	X		63%	$ 390,000
Stanislaus West Rutland	XX	XX		XX	XX								50%	$ 131,000
Susie Wilson Road	XX	XX		XX				X					44%	$ 445,000
Thayer Commons Family Housing	XX	XX		XX	X		X	X					56%	$ 600,000
Town Meadow Essex	XX	**TBD**		XX				X					31%	$ 367,551
Village at Leddy Park	XX			XX	X	XX		X		X	X		63%	$ 500,000
2011														
Forest Park	XX	XX		XX							X		41%	$ 1,100,000
Shelburne Wood I	XX	XX	XX	XX			X			X	X		65%	$ 957,301
2010														
Upper Story Housing	XX	XX	XX	XX			X			X	X		65%	$ 445,000
Grange Hill, Woodstock	XX	XX	XX	XX									47%	$ 550,000
Ellis Block	XX		XX	XX	XX						X		53%	$ 110,000
Canal Street Veterans Housing	XX		XX	XX	XX	XX				X			65%	$ 366,000
Alburgh Family Housing	XX	XX	XX	XX	XX					X			65%	$ 200,000
Johnson Community Housing	XX	XX	XX	XX	XX								59%	$ 492,000
Blake Commons	XX	XX	XX	XX									47%	$ 333,500
2009														
Salisbury Square	XX	XX	XX	XX	XX								59%	$ 320,000
Vergennes Senior	XX		XX	XX			X			X			47%	$ 410,000
Brookside - Colchester	XX	XX	XX	XX									47%	$ 585,000
Rutland Scattered Sites 2008	XX	XX	XX	XX									47%	$ 352,000
Anne Wilder Richards Bldg	XX		XX	XX						X	X		47%	$ 345,000
Bellows Falls - Pine Street	XX		XX	XX						X			41%	$ 210,000
Brookside - St. Albans	XX	XX	XX						X				41%	$ 492,000
Colby House	XX		XX		XX		X						41%	$ 289,631
2008														
Cummings Street Apts	XX	XX	XX	XX						X			53%	$ 77,700
Tontine Canal	XX	XX	XX	XX									47%	$ 229,500
King Street Housing	XX		XX	XX								X	41%	$ 410,000
Armory Square Allocated	XX		XX	XX						X			41%	$ 629,580
Meadowlane Apts. Milton	XX		XX							X			29%	$ 326,000
North Branch Barre St Rehab	XX	XX	XX	XX	X								53%	$ 260,000
Abbott Scattered Sites	XX	XX	XX	XX	X								53%	$ 283,500

VHFA 2010-2011 HOUSING CREDIT ~ EVALUATION CHECKLIST (rev. 6/10)

APPLICATION REQUIREMENTS	COMMENTS	
1. VHFA LIHTC Application form is complete, including all required attachments (elevations, zoning letter, site control, etc) and payment of required fees.	___ Yes ___ No	**FEE:** **$______pd / _______date**
2. Meets the basic occupancy and rent restrictions, inc. design standards.	___ Yes ___ No	
3. Applicant has established the need & demand (i.e. market feasibility) for the type and cost of housing that is being proposed.	___ Yes ___ No	**Market Study Date:**
4. Reservations are based upon experience and capacity of the project team.	___ Yes ___ No	
5. Developer's Fee / Consultant Fees in the budget does not exceed the program limits.	___ Yes ___ No	**FEE: $ / %**
6. Builder's Profit / Overhead / General Requirements in the budget complies with Allocation Plan limits.	___ Yes ___ No	/ /
7. Applicant must agree to perpetual rent & income restrictions, and may provide a right of first refusal to a nonprofit to purchase the property as described in the Allocation Plan.		
8. C.N.A for lesser rehabilitation projects.	___ Yes ___ No	
9. Mixed income development; under 20 unit project: none/20-49, 5% of units/ 50+, 10 of units over 60%	___ Yes ___ No	
10. Project is planned to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside; or project is workforce housing in a ski area (see plan for details).	___ Yes ___ No	
11. At least three top-tier and one other evaluation criteria must be met.	___Yes ___ No	
EVALUATION CRITERIA (1 – 5 are in order of priority)		
1. State Consolidated Plan Priorities / Other Priorities (**<u>not</u> in order of priority within each tier):** Top Tier (weighted higher than second tier): (a) Rehabilitation, including lead-based paint abatement, accessibility modifications, and energy efficiency upgrades; or infill new construction in communities with a vacancy rate of 3.5% or less, or in communities where there is insufficient rehabilitatable housing stock or a lack of affordable housing stock; (b) Family housing (unless local or regional need for other housing is greater). Majority of units are 2 BR or larger; (c) Project is in a designated downtown or village center, or close to one. Map showing location must be submitted; (d) Project proposes removal of blight (significant portion of building uninhabitable or unusable due to reasons specified in Plan); (e) Any project that incorporates a majority of special needs populations (as defined in Con Plan), and provides service-enriched housing. Second Tier (weighted less than top tier): (a) Mixed-Income Housing Developments. To receive acknowledgment for meeting this priority no fewer than 20% of the units in the development must be either unrestricted as to income and rents, or restricted to households above 60% of the area median gross income. For developments of under 20 units that elect to meet the mixed-income housing priority, a single unit that is either unrestricted or restricted above 60% is needed for the development to meet this priority. (b) Unique Design - Creative rehab of structure of statewide significance (c) Universal Design (d) Housing affordable to households <=30% AMGI or targets homeless; (e) Project serves households on public housing waiting lists; (f) Projects intended for eventual tenant ownership.		
2. Preference must be given among selected projects to proposals: (a) serving the lowest income tenants, and (b) serving qualified tenants for the longest period		
3. Acquisition and rehabilitation of existing "at risk" federally subsidized projects, defined as: any development currently occupied by low income households that faces, within the next 5 years: 1) a loss of deep rental assistance or other operating subsidy; <u>and</u> 2) faces prepayment of its mortgage or other action by its owner that would terminate fed. low income use restrictions. In addition, this includes any project(s) that is slated to receive fed. funding for preservation.		
4. Geographic targeting: Project is in a location that has been underserved historically in having its affordable housing needs met (**not** just underserved by the Housing Credit program).		
5. Project design meets LEED H or Green Communities standards		

04-Jun-10 **Brookside II**

Total Residential Units:	37	Increase in Income from Rental Units:	2.00%
Housing Credit Restricted Units:	37	Increase in Income from Other Sources:	2.00%
Percent Restricted:	100.00%	Increase in Income from Commercial:	2.00%
Total Development Cost:	5,732,417	Expense increase:	3.00%
Total Development Cost per Unit:	154,930	Vacancy Rate:	5%
Total Development Cost Per SF:	154	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	393,988	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	393,988	Sponsor's Estimated Yield:	76.08%
LIHTC - 9%	7.85%	(May 2010)	
LIHTC - 4%	3.36%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	1,855,000	32.36%	6.00%	30	20
VHCB		0.00%	4.00%	30	deferred
HOME		0.00%	1.00%	20	int. only
AHP	400,000	6.98%	0.00%	0	deferred
Deferred Developer's Fee	480,114	8.38%	N/A	N/A	
Tax Credit Equity	2,997,303	52.29%	N/A	N/A	
TOTAL SOURCES	5,732,417	100.00%			

110.0% Debit Coverage Ratio (First Year)

17% Total Developer's Fee %

13% Developer's Fee not deferred %

USES

Acquisition	468,000	8.16%
Construction Hard Costs	3,870,458	67.52%
Soft Costs	1,393,959	24.32%
TOTAL USES	5,732,417	100%
Gap	(0)	

General Partner's Capital Contribution	2,997	0.10%
Limited Partner's Capital Contribution	2,994,306	99.90%
Total Equity	2,997,303	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	37
Total Units	37
Unit Fraction	100.00%
Tax Credit Square Footage	29,494
Total Residential Square Footage	29,494
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

#		Budget	Per Unit	Per s.f.	VHCB Terms:___	AHP Terms:___ ___Grant_	Allocation of Sources Deferred Developer Fee____	Debt Terms:___	Equity Terms:___ Tax Credit	Other Terms:___	TOTAL SOURCES
	ACQUISITION										
1	Land	462,500	12,500	12.45				462,500			462,500
2	Purchase of Building(s)		0	0.00							0
3	Demolition (without replacement)		0	0.00							0
4	Property Appraisal	3,000	81	0.08				3,000			3,000
5	Legal - Title and Recording	2,500	68	0.07				2,500			2,500
	Subtotal - Acquisition	468,000	12,649	12.60							
	CONSTRUCTION HARD COSTS										
6	Rehabilitation		0	0.00							0
7	New Building @ $77/SF less FF&E	2,767,280	74,791	74.51				1,387,000	1,380,280		2,767,280
8	Accessory Buildings		0	0.00							0
9	Sitework	318,557	8,610	8.58					318,557		318,557
10	Commercial Space Costs (if any)		0	0.00							0
11	General Requirements @ 6%	190,700	5,154	5.13					190,700		190,700
12	Contractor Overhea @ 2%	65,531	1,771	1.76					65,531		65,531
13	Contractor Profit @ 6%	206,074	5,570	5.55					206,074		206,074
14	Construction Contingency @ 5%	182,032	4,920	4.90					182,032		182,032
15	Construction Management		0	0.00							0
16	Construction Bond Fee @ 1.25%	47,783	1,291	1.29					47,783		47,783
17	Hazardous Materials Abatement		0	0.00							0
18	Off-Site Improvements		0	0.00							0
19	Furnishings, Fixtures, & Equipment	92,500	2,500	2.49					92,500		92,500
20	Other (________________)		0	0.00							0
	Subtotal - Hard Costs	3,870,458	104,607	104.21							
	SOFT COSTS										
21	Architectural	94,556	2,556	2.55					94,556		94,556
22	Engineering - in Architectural		0	0.00							0
23	Legal/Accounting	30,000	811	0.81					30,000		30,000
24	Relocation		0	0.00							0
25	Environmental Assessment	3,000	81	0.08					3,000		3,000
26	Energy Assessment	2,500	68	0.07					2,500		2,500
27	Permits/Fees	135,544	3,663	3.65					135,544		135,544
28	Independent Market Study	2,500	68	0.07					2,500		2,500
29	Construction Period Insurance	6,000	162	0.16					6,000		6,000
30	Construction Interest	48,213	1,303	1.30					48,213		48,213
31	Construction Loan Origination Fee	18,550	501	0.50					18,550		18,550
32	Taxes During Construction	16,500	446	0.44					16,500		16,500
33	Clerk of the Works	5,000	135	0.13					5,000		5,000
34	Marketing	18,500	500	0.50					18,500		18,500
35	Tax Credit Fees	15,760	426	0.42					15,760		15,760
36	Soft Cost Contingency	16,000	432	0.43					16,000		16,000
37	Permanent Loan Origination Fee	18,550	501	0.50					18,550		18,550
38	Lender's Counsel's Fee	5,000	135	0.13						5,000	5,000
39	Other (___________)		0	0.00							0
	SYNDICATION COSTS										
40	Organizational (Partnership)	10,000	270	0.27						10,000	10,000
41	Bridge Loan Fees and Expenses	63,484	1,716	1.71						63,484	63,484
42	Syndication Consultant	74,933	2,025	2.02						74,933	74,933
43	Tax Opinion	10,000	270	0.27						10,000	10,000
	DEVELOPER'S FEES										
44	Developer's Fees	652,209	17,627	17.56			480,114		82,674	89,421	652,209
45	Other Partnership Fees		0	0.00							0
46	Consultant Fees	97,162	2,626	2.62						97,162	97,162
	RESERVES										
47	Working Capital	20,000	541	0.54						20,000	20,000
48	Rent-up (Deficit Escrow) Reserve	30,000	811	0.81						30,000	30,000
49	Other Operating Reserves		0	0.00							0
50	Sinking Fund		0	0.00							0
51	Replacement Reserves		0	0.00							0
	Subtotal - Soft Costs	1,393,959	37,675	37.53							
	TOTAL DEVELOPMENT COSTS	5,732,417	154,930	154	0	0	480,114	1,855,000	2,997,303	400,000	5,732,417

COST BASIS FOR DEVEL FEE	4,858,113
DEVELOPER FEE	824,304
DEVELOPER FEE %	16.97%

25-Jun-10 **Brookside II**

#		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to	To be Incurred	Total
	ACQUISITION									
1	Land	462,500								
2	Purchase of Building(s)	0								
3	Demolition (without replacement)	0								
4	Property Appraisal	3,000								
5	Legal - Title and Recording	2,500								
	Subtotal - Acquisition	468,000								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	0		0						
7	New Building @ $77/SF less FF&E	2,767,280		2,767,280						
8	Accessory Buildings	0		0						
9	Sitework	318,557		318,557						
10	Commercial Space Costs (if any)	0								
11	General Requirements @ 6%	190,700		190,700						
12	Contractor Overhea @ 2%	65,531		65,531						
13	Contractor Profit @ 6%	206,074		206,074						
14	Construction Contingency @ 5%	182,032		182,032						
15	Construction Management	0		0						
16	Construction Bond Fee @ 1.25%	47,783		47,783						
17	Hazardous Materials Abatement	0		0						
18	Off-Site Improvements	0		0						
19	Furnishings, Fixtures, & Equipment	92,500		92,500	92,500					
20	Other (__________)	0		0						
	Subtotal - Hard Costs	3,870,458								
	SOFT COSTS									
21	Architectural	94,556		94,556						
22	Engineering - in Architectural	0		0						
23	Legal/Accounting	30,000		30,000						
24	Relocation	0		0						
25	Environmental Assessment	3,000		3,000						
26	Energy Assessment	2,500		2,500						
27	Permits/Fees	135,544		135,544						
28	Independent Market Study	2,500		2,500						
29	Construction Period Insurance	6,000		6,000						
30	Construction Interest	48,213		48,213						
31	Construction Loan Origination Fee	18,550		18,550						
32	Taxes During Construction	16,500		16,500						
33	Clerk of the Works	5,000		5,000						
34	Marketing	18,500								
35	Tax Credit Fees	15,760		15,760						
36	Soft Cost Contingency	16,000		16,000						
37	Permanent Loan Origination Fee	18,550								
38	Lender's Counsel's Fee	5,000		5,000						
39	Other (__________)	0		0						
	SYNDICATION COSTS									
40	Organizational (Partnership)	10,000								
41	Bridge Loan Fees and Expenses	63,484								
42	Syndication Consultant	74,933								
43	Tax Opinion	10,000								
	DEVELOPER'S FEES									
44	Developer's Fees	652,209		652,209						
45	Other Partnership Fees	0		0						
46	Consultant Fees	97,162		97,162						
	RESERVES									
47	Working Capital	20,000								
48	Rent-up (Deficit Escrow) Reserve	30,000								
49	Other Operating Reserves	0								
50	Sinking Fund	0								
51	Replacement Reserves	0								
	Subtotal - Soft Costs	1,393,959								
	TOTALS	5,732,417	0	5,018,951	0	0				
	LESS: Amount of Non-qualified Financing									
	LESS: Historic tax Credit (Residential Portion)			0	0					
	Total Eligible Basis		0	5,018,951						
	TIMES: Adjusted for QCT/DDA	100.0%		5,018,951						
	TIMES: Applicable Fraction	100.00%	0	5,018,951						
	Total Qualified Basis		0	5,018,951						
	TIMES: Applicable Percentage		3.36%	7.85%						
	Total Annual Credit Qualified		0	393,988						

20% Historic Credit Rate
0 Annual Historic Credit

0	Long Term Depreciable Basis
27.5	Depreciation Schedule
0	Annual Depreciation
92,500	Short Term Depreciable Basis
7	Depreciation Schedule
13,214	Annual Depreciation

Total Tax Credits Requested	393,988
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,994,306
Estimated Yield - Housing Credit Syndication	76.08%
Equity Gap	2,997,303
Credits Needed to fill Equity Gap	394,382

25-Jun-10 **Brookside II**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		658	13	719	29	112,164
2 Br		856	22	854	44	225,456
3 Br		1,054	2	978	59	23,472
4+ Br			0	0		0
	Totals	29,494	37			361,092

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage		7,646		
	Grand Totals	37,140	37	361,092
	Less Vacancy	5.00%		(18,055)
			NET RENT	343,037
	OTHER INCOME			
	Laundry			3,450
	Parking			0
	Commercial Space Income			0
	Other			0
			TOTAL INCOME	346,487

25-Jun-10

Brookside II

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
	101				X			X		2	856	854	44	898			X						X			
	102				X			X		1	658	719	29	748			X						X			
	103,104				X			X		2	856	854	44	898			X						X			
	105,106				X			X		3	1,054	978	59	1,037			X						X			
	107,108				X			X		1	658	719	29	748			X						X			
	109,110				X			X		2	856	854	44	898			X						X			
	111,12,14				X			X		1	658	719	29	748			X						X			
	201				X			X		2	856	854	44	898			X						X			
	202				X			X		1	658	719	29	748			X						X			
	203-210				X			X		2	856	854	44	898			X						X			
	211,12,14				X			X		1	658	719	29	748			X						X			
	303-310				X			X		2	856	854	44	898			X						X			
	311,12,14				X			X		1	658	719	29	748			X						X			
Total # Units	37									Totals:	29,494	361,092		Total # Units:	0	0	37	0	0	0	0	0	37	0	0	0

25-Jun-10 **Brookside II**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	17,678	1,473	40	5.1%
Supportive Services		0	0	
Audit/Accounting	4,650	388	10	
Legal	1,000	83	2	
Compliance Monitoring	1,776	148	4	
Marketing	1,000	83	2	
Other	750	63	2	
TOTAL ADMINISTRATIVE	26,854	2,238	60	
Utilities				
Electricity	7,000	583	16	
Fuel	28,000	2,333	63	
Water and Sewer	4,000	333	9	
Fire Alarm / Emergency	3,000	250	7	
Other		0	0	
TOTAL UTILITIES	42,000	3,500	95	
Maintenance				
Maintenance / Janitor Payroll	18,000	1,500	41	
Janitor Supplies	2,000	167	5	
Exterminating	2,000	167	5	
Trash Removal	7,584	632	17	
Snow Removal	8,400	700	19	
Grounds	6,300	525	14	
Repairs Material	4,000	333	9	
Repairs Contract	4,000	333	9	
HVAC Repairs / Maintenance	3,500	292	8	
Elevator Contract / Repairs	3,500	292	8	
Painting and Decorating	6,000	500	14	
Other		0	0	
TOTAL MAINTENANCE	65,284	5,440	147	
				per unit month
Real Estate Taxes	40,000	3,333	90	excl. ds & res.
Property Insurance	10,000	833	23	415
Replacement Reserves	15,540	1,295	35	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other		0	0	
Total	199,678	16,640	450	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	199,678

25-Jun-10	Brookside II															
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		361,092	368,314	375,680	383,194	390,858	398,675	406,648	414,781	423,077	431,538	440,169	448,973	457,952	467,111	476,453
Other Income		3,450	3,519	3,589	3,661	3,734	3,809	3,885	3,963	4,042	4,123	4,206	4,290	4,375	4,463	4,552
Vacancy and other losses		(18,055)	(18,416)	(18,784)	(19,160)	(19,543)	(19,934)	(20,332)	(20,739)	(21,154)	(21,577)	(22,008)	(22,449)	(22,898)	(23,356)	(23,823)
Total Operating Income		346,487	353,417	360,485	367,695	375,049	382,550	390,201	398,005	405,965	414,085	422,366	430,814	439,430	448,218	457,183
Operating Expenses																
Total Expenses (excl. Reserves)		184,138	189,662	195,352	201,213	207,249	213,466	219,870	226,467	233,261	240,258	247,466	254,890	262,537	270,413	278,525
Reserves		15,540	15,851	16,168	16,491	16,821	17,157	17,501	17,851	18,208	18,572	18,943	19,322	19,708	20,103	20,505
Total Operating Expense		199,678	205,513	211,520	217,704	224,070	230,624	237,371	244,317	251,468	258,830	266,409	274,212	282,245	290,516	299,030
Net Operating Income		146,809	147,904	148,966	149,991	150,979	151,926	152,830	153,688	154,497	155,254	155,957	156,601	157,185	157,703	158,153
Less Primary Debt Service		133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460	133,460
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		13,349	14,444	15,506	16,532	17,519	18,466	19,370	20,228	21,037	21,795	22,497	23,141	23,725	24,243	24,693
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		13,349	14,444	15,506	16,532	17,519	18,466	19,370	20,228	21,037	21,795	22,497	23,141	23,725	24,243	24,693
DCR		110.00%	110.82%	111.62%	112.39%	113.13%	113.84%	114.51%	115.16%	115.76%	116.33%	116.86%	117.34%	117.78%	118.16%	118.50%
Cumulative Cash Flow																
Beginning Balance		0	13,483	28,341	44,569	62,157	81,095	101,368	122,959	145,848	170,013	195,426	222,056	249,870	278,829	308,891
Deposits		13,349	14,444	15,506	16,532	17,519	18,466	19,370	20,228	21,037	21,795	22,497	23,141	23,725	24,243	24,693
Interest	2.0%	133	414	722	1,057	1,418	1,807	2,221	2,661	3,127	3,618	4,133	4,673	5,235	5,819	6,425
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		13,483	28,341	44,569	62,157	81,095	101,368	122,959	145,848	170,013	195,426	222,056	249,870	278,829	308,891	340,009
Cumulative Replacement Reserves																
Beginning Balance		0	15,695	32,019	48,988	66,624	84,946	103,974	123,729	144,233	165,507	187,575	210,459	234,183	258,772	284,251
Deposits		15,540	15,851	16,168	16,491	16,821	17,157	17,501	17,851	18,208	18,572	18,943	19,322	19,708	20,103	20,505
Interest	2.0%	155	472	802	1,145	1,501	1,870	2,254	2,653	3,067	3,496	3,941	4,402	4,881	5,376	5,890
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		15,695	32,019	48,988	66,624	84,946	103,974	123,729	144,233	165,507	187,575	210,459	234,183	258,772	284,251	310,646
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		146,809	147,904	148,966	149,991	150,979	151,926	152,830	153,688	154,497	155,254	155,957	156,601	157,185	157,703	158,153
Plus Reserves		15,540	15,851	16,168	16,491	16,821	17,157	17,501	17,851	18,208	18,572	18,943	19,322	19,708	20,103	20,505
Less Interest Expense		(110,680)	(109,275)	(107,784)	(106,200)	(104,519)	(102,734)	(100,839)	(98,827)	(96,690)	(94,423)	(92,015)	(89,459)	(86,745)	(83,863)	(80,804)
Less Long Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Short Depreciation		(13,214)	(13,214)	(13,214)	(13,214)	(13,214)	(13,214)	(13,214)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		38,455	41,265	44,136	47,068	50,067	53,136	56,278	72,712	76,014	79,404	82,885	86,465	90,148	93,942	97,853
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		(13,459)	(14,443)	(15,447)	(16,474)	(17,524)	(18,598)	(19,697)	(25,449)	(26,605)	(27,791)	(29,010)	(30,263)	(31,552)	(32,880)	(34,249)
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		393,988	393,988	393,988	393,988	393,988	393,988	393,988	393,988	393,988	393,988					
After Tax Cash Flow		380,528	379,545	378,540	377,514	376,464	375,390	374,290	368,538	367,383	366,196	(29,010)	(30,263)	(31,552)	(32,880)	(34,249)
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		380,528	379,545	378,540	377,514	376,464	375,390	374,290	368,538	367,383	366,196	(29,010)	(30,263)	(31,552)	(32,880)	(34,249)
Future Value of Cash Flows at Yr 15:		911,959	858,114	807,399	759,632	714,641	672,267	632,356	587,394	552,408	519,456	(38,822)	(38,206)	(37,579)	(36,944)	(36,304)
Discount Rate:	3.00%															
Capital Contribution Number:	1	2	3	4												
Date of Capital Contribution:	25-Jun-10	25-Jun-10	25-Jun-10	25-Jun-10												
Amount of Capital Contribution:	0	0	0	0												
Present Value of Contributions:	0	0	0	0												
Cash Flows	0															6,827,771
IRR:	#NUM!															
Equity Yield:	0															

04-Jun-10 **Black River**

Total Residential Units:	25	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	25	Increase in Income from Other Sources:	1.50%
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%
Total Development Cost:	4,902,509	Expense increase:	2.50%
Total Development Cost per Unit:	196,100	Vacancy Rate:	5%
Total Development Cost Per SF:	195	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	391,396	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	327,300	Sponsor's Estimated Yield:	78.01%
LIHTC - 9%	9.00%		
LIHTC - 4%	3.37%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	1,000,000	20.40%	1.00%	50	30
VHCB	434,000	8.85%	0.00%	30	deferred
VCDP	0	0.00%	0.00%	30	deferred
Existing HOME	230,000	4.69%	0.00%	30	deferred
Existing VHCB	190,603	3.89%	0.00%	30	deferred
Existing Accrued Interest	252,000	5.14%	0.00%	30	deferred
State tax credit equity	142,800	2.91%	0.00%	30	deferred
Energy Funds (VFEP, VHCB, WX)	100,000	2.04%	0.00%	30	deferred
Tax Credit Equity	2,553,106	52.08%	N/A	N/A	
TOTAL SOURCES	4,902,509	100.00%			

USES

Acquisition	1,384,513	28.24%
Construction Hard Costs	2,452,780	50.03%
Soft Costs	1,065,216	21.73%
TOTAL USES	4,902,509	100%
Gap	0	

General Partner's Capital Contribution	25,531	1.00%
Limited Partner's Capital Contribution	2,527,575	99.00%
Total Equity	2,553,106	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	25
Total Units	25
Unit Fraction	100.00%
Tax Credit Square Footage	24,500
Total Residential Square Footage	24,500
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

04-Jun-10 **Black River**

		Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	137,901	5,516	5.48
2	Purchase of Building(s)	1,241,112	49,644	49.35
3	Demolition (without replacement)		0	0.00
4	Property Appraisal	2,500	100	0.10
5	Legal - Title and Recording	3,000	120	0.12
	Subtotal - Acquisition	1,384,513	55,381	55.05
	CONSTRUCTION HARD COSTS			
6	Rehabilitation	1,266,250	50,650	50.35
7	Energy upgrades	469,200	18,768	18.66
8	Water system	120,000	4,800	4.77
9	Sitework	334,350	13,374	13.29
10	Commercial Space Costs (if any)		0	0.00
11	General Requirements		0	0.00
12	Contractor Overhead		0	0.00
13	Contractor Profit		0	0.00
14	Construction Contingency	222,980	8,919	8.87
15	Construction Management		0	0.00
16	Construction Bond Fee		0	0.00
17	Hazardous Materials Abatement		0	0.00
18	Off-Site Improvements		0	0.00
19	Furnishings, Fixtures, & Equipment	40,000	1,600	1.59
20	Other (________________)		0	0.00
	Subtotal - Hard Costs	2,452,780	98,111	97.53
	SOFT COSTS			
21	Architectural	141,600	5,664	5.63
22	Engineering		0	0.00
23	Legal/Accounting	37,000	1,480	1.47
24	Relocation	120,000	4,800	4.77
25	Environmental Assessment	6,500	260	0.26
26	Energy Assessment		0	0.00
27	Permits/Fees	7,266	291	0.29
28	Independent Market Study	3,000	120	0.12
29	Construction Period Insurance	8,000	320	0.32
30	Construction Interest	68,000	2,720	2.70
31	Construction Loan Origination Fee	9,000	360	0.36
32	Taxes During Construction	23,000	920	0.91
33	Clerk of the Works		0	0.00
34	Marketing		0	0.00
35	Tax Credit Fees	3,600	144	0.14
36	Soft Cost Contingency	10,000	400	0.40
37	Permanent Loan Origination Fee		0	0.00
38	Lender's Counsel's Fee	4,000	160	0.16
39	Other (______________)		0	0.00
	SYNDICATION COSTS			
40	Organizational (Partnership)		0	0.00
41	Bridge Loan Fees and Expenses		0	0.00
42	Syndication Consultant		0	0.00
43	Tax Opinion		0	0.00
	DEVELOPER'S FEES			
44	Developer's Fees	450,000	18,000	17.89
45	Other Partnership Fees		0	0.00
46	Consultant Fees		0	0.00
	RESERVES			
47	Working Capital	35,000	1,400	1.39
48	Rent-up (Deficit Escrow) Reserve		0	0.00
49	Other Operating Reserves	89,250	3,570	3.55
50	Sinking Fund		0	0.00
51	Replacement Reserves	50,000	2,000	1.99
	Subtotal - Soft Costs	1,065,216	42,609	42.35
	TOTAL DEVELOPMENT COSTS	4,902,509	196,100	195

04-Jun-10 **Black River**

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to Date	To be Incurred	Total
	ACQUISITION									
1	Land	137,901								
2	Purchase of Building(s)	1,241,112	1,241,112		1,241,112					
3	Demolition (without replacement)	0								
4	Property Appraisal	2,500	2,500		2,500					
5	Legal - Title and Recording	3,000	3,000		3,000					
	Subtotal - Acquisition	1,384,513								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	1,266,250		1,266,250	1,266,250					
7	Energy upgrades	469,200		469,200	469,200					
8	Water system	120,000		120,000	120,000					
9	Sitework	334,350								
10	Commercial Space Costs (if any)	0								
11	General Requirements	0								
12	Contractor Overhead	0								
13	Contractor Profit	0								
14	Construction Contingency	222,980		222,980	222,980					
15	Construction Management	0								
16	Construction Bond Fee	0								
17	Hazardous Materials Abatement	0								
18	Off-Site Improvements	0								
19	Furnishings, Fixtures, & Equipment	40,000		40,000	40,000					
20	Other (________________)	0								
	Subtotal - Hard Costs	2,452,780								
	SOFT COSTS									
21	Architectural	141,600		141,600	141,600					
22	Engineering	0								
23	Legal/Accounting	37,000		35,000	35,000					
24	Relocation	120,000		120,000	120,000					
25	Environmental Assessment	6,500		6,500	6,500					
26	Energy Assessment	0								
27	Permits/Fees	7,266		7,266	7,266					
28	Independent Market Study	3,000		3,000	3,000					
29	Construction Period Insurance	8,000		8,000	8,000					
30	Construction Interest	68,000		54,400	54,400					
31	Construction Loan Origination Fee	9,000		9,000	9,000					
32	Taxes During Construction	23,000		23,000	23,000					
33	Clerk of the Works	0								
34	Marketing	0								
35	Tax Credit Fees	3,600								
36	Soft Cost Contingency	10,000		10,000	10,000					
37	Permanent Loan Origination Fee	0								
38	Lender's Counsel's Fee	4,000								
39	Other (______________)	0								
	SYNDICATION COSTS									
40	Organizational (Partnership)	0								
41	Bridge Loan Fees and Expenses	0								
42	Syndication Consultant	0								
43	Tax Opinion	0								
	DEVELOPER'S FEES									
44	Developer's Fees	450,000		450,000	450,000					
45	Other Partnership Fees	0								
46	Consultant Fees	0								
	RESERVES									
47	Working Capital	35,000								
48	Rent-up (Deficit Escrow) Reserve	0								
49	Other Operating Reserves	89,250								
50	Sinking Fund	0								
51	Replacement Reserves	50,000								
	Subtotal - Soft Costs	1,065,216								
	TOTALS	4,902,509	1,246,612	2,986,196	4,192,808	0				
LESS:	Amount of Non-qualified Financing									
LESS:	Historic tax Credit (Residential Portion)			0	0	20% Historic Credit Rate				
	Total Eligible Basis		1,246,612	2,986,196		0 Annual Historic Credit				
TIMES:	Adjusted for QCT/DDA	130.0%		3,882,055						
TIMES:	Applicable Fraction	100.00%	1,246,612	3,882,055						
	Total Qualified Basis		1,246,612	3,882,055	4,192,808	Long Term Depreciable Basis				
TIMES:	Applicable Percentage		3.37%	9.00%	27.5	Depreciation Schedule				
	Total Annual Credit Qualified		42,011	349,385	152,466	Annual Depreciation				

Total Tax Credits Requested	327,300	40,000	Short Term Depreciable Basis
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,553,106	7	Depreciation Schedule
Estimated Yield - Housing Credit Syndication	78.01%	5,714	Annual Depreciation
Equity Gap	2,553,106		
Credits Needed to fill Equity Gap	330,606		

04-Jun-10 **Black River**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	18,000	1,500	60	7.9%
Admin Sal/Benefits	6,750	563	23	
Audit/Accounting	5,000	417	17	
Legal	1,000	83	3	
Compliance Monitoring	1,800	150	6	
Marketing	1,500	125	5	
Other	1,500	125	5	
TOTAL ADMINISTRATIVE	35,550	2,963	119	
Utilities				
Electricity	8,500	708	28	
Fuel	26,000	2,167	87	
Water and Sewer	10,000	833	33	
Fire Alarm / Emergency	1,500	125	5	
Other	0	0	0	
TOTAL UTILITIES	46,000	3,833	153	
Maintenance				
Maintenance / Janitor Payroll	13,000	1,083	43	
Janitor Supplies	2,500	208	8	
Exterminating	150	13	1	
Trash Removal	6,000	500	20	
Snow Removal	6,500	542	22	
Grounds	5,000	417	17	
Repairs Material		0	0	
Repairs Contract	8,300	692	28	
HVAC Repairs / Maintenance	2,000	167	7	
Elevator Contract / Repairs		0	0	
Painting and Decorating	3,000	250	10	
Other		0	0	
TOTAL MAINTENANCE	46,450	3,871	155	per unit month
Real Estate Taxes	24,000	2,000	80	excl. ds & res.
Property Insurance	10,000	833	33	540
Replacement Reserves	16,500	1,375	55	
Primary Debt Service	25,423	2,119	85	
Other "must pay" debt service		0	0	
Other		0	0	
Total	203,923	16,994	680	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	203,923

ADMINISTRATIVE		Annual
Management Fee		18,000
Admin Salaries/Benefits		4,750
Admin Payroll Taxes		2,000
Advertising		1,500
Office Expense		1,500
Social Services		0
Audit		5,000
Legal		1,000
VHFA Fee	LIHTC compli	1,800
Investor services fee		0
TOTAL ADMINSTRIATIVE		35,550
UTILITY		
Electricity		8,500
Fuel -		26,000
Water & Sewer		10,000
Fire Alarm/Emergency Call		1,500
Other		0
TOTAL UTILITY		46,000
MAINTENANCE		
Maintenance Salaries		10,000
Maintenance Payroll & Work		3,000
Janitor Supplies		2,500
Exterminating		150
Trash Removal		6,000
Snow Removal		6,500
Grounds		5,000
Painting & Decorating		3,000
HVAC		2,000
Elevator		0
Other/contract repairs		8,300
TOTAL MAINTENANCE		46,450
GENERAL		
Real Estate Tax		24,000
Property Insurance		10,000
Other	Misc Tax, Lic	0
Replacement Reserve		16,500
TOTAL GENERAL		50,500
Total Operating Expenses		178,500

04-Jun-10 **Black River**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br		900	15	714		128,520
3 Br		1,100	10	918		110,160
4+ Br			0	0		0
	Totals	24,500	25			238,680

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage		650		
	Grand Totals	25,150	25	238,680
		Less Vacancy	5.00%	(11,934)
			NET RENT	226,746

OTHER INCOME

Laundry	0
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	226,746

Black River

	Check all Applicable									A					B						C					
															OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	1			1	1	1	X			2	900	714	36	750		1						1				
	2			1	1	1		X*		2	900	714	36	750		1						1				
	3	X		1	1	1				3	1,100	918	50	968		1						1				
	4			1	1	1				3	1,100	918	50	968		1						1				
	5			1	1	1				3	1,100	918	50	968		1						1				
	6			1	1	1				3	1,100	918	50	968		1						1				
	7			1	1	1				2	900	714	36	750		1						1				
	8			1	1	1				3	1,100	918	50	968		1						1				
	9			1	1	1				3	1,100	918	50	968		1						1				
	10	X		1	1	1				3	1,100	918	50	968		1						1				
2	11	X		1	1	1		X*		3	1,100	918	50	968		1						1				
	12			1	1	1				2	900	714	36	750		1						1				
	13			1	1	1				2	900	714	36	750		1						1				
	14			1	1	1				2	900	714	36	750		1						1				
3	15			1	1	1	X			3	1,100	918	50	968		1						1				
	16			1	1	1				2	900	714	36	750		1						1				
	17			1	1	1				2	900	714	36	750		1						1				
	18			1	1	1				2	900	714	36	750		1						1				
	19			1	1	1				2	900	714	36	750		1						1				
	20	X		1	1	1				2	900	714	36	750		1						1				
	21			1	1	1				2	900	714	36	750		1						1				
	22			1	1	1				2	900	714	36	750		1						1				
4	23			1	1	1				2	900	714	36	750		1						1				
	24			1	1	1				3	1,100	918	50	968		1						1				
	25			1	1	1				2	900	714	36	750		1						1				
Total # Units	25									Totals:	24,500	19,890		Total # Units:	0	25	0	0	0	0	0	25	0	0	0	0

*Indicates unit to provide flexibility to accommodate visually or hearing impaired tenant

04-Jun-10	Black River																				
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operating Income																					
Gross Rent		238,680	242,260	245,894	249,583	253,326	257,126	260,983	264,898	268,871	272,904	276,998	281,153	285,370	289,651	293,995	298,405	302,881	307,425	312,036	316,717
Other Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy and other losses		(11,934)	(12,113)	(12,295)	(12,479)	(12,666)	(12,856)	(13,049)	(13,245)	(13,444)	(13,645)	(13,850)	(14,058)	(14,269)	(14,483)	(14,700)	(14,920)	(15,144)	(15,371)	(15,602)	(15,836)
Total Operating Income		226,746	230,147	233,599	237,103	240,660	244,270	247,934	251,653	255,428	259,259	263,148	267,095	271,102	275,168	279,296	283,485	287,737	292,053	296,434	300,881
Operating Expenses																					
Total Expenses (excl. Reserves)		162,000	166,050	170,201	174,456	178,818	183,288	187,870	192,567	197,381	202,316	207,374	212,558	217,872	223,319	228,902	234,624	240,490	246,502	252,665	258,981
Reserves		16,500	16,748	16,999	17,254	17,512	17,775	18,042	18,312	18,587	18,866	19,149	19,436	19,728	20,024	20,324	20,629	20,938	21,252	21,571	21,895
Total Operating Expense		178,500	182,798	187,200	191,710	196,330	201,063	205,912	210,880	215,968	221,182	226,523	231,994	237,600	243,342	249,226	255,253	261,428	267,754	274,236	280,876
Net Operating Income		48,246	47,350	46,399	45,393	44,330	43,207	42,022	40,773	39,459	38,077	36,625	35,101	33,502	31,826	30,070	28,232	26,309	24,299	22,198	20,005
Less Primary Debt Service		25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		22,823	21,927	20,976	19,970	18,907	17,783	16,599	15,350	14,036	12,654	11,202	9,678	8,079	6,403	4,647	2,809	886	(1,124)	(3,225)	(5,418)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,124	3,225	5,418
Net Cash		22,823	21,927	20,976	19,970	18,907	17,783	16,599	15,350	14,036	12,654	11,202	9,678	8,079	6,403	4,647	2,809	886	0	0	0
DCR		189.77%	186.25%	182.51%	178.55%	174.37%	169.95%	165.29%	160.38%	155.21%	149.77%	144.06%	138.07%	131.78%	125.18%	118.28%	111.05%	103.49%	95.58%	87.32%	78.69%
Cumulative Cash Flow																					
Beginning Balance		89,250	106,586	123,364	139,517	154,977	169,673	183,527	196,463	208,396	219,240	228,906	237,298	244,319	249,865	253,829	256,099	256,558	255,084	259,061	261,018
Deposits		22,823	21,927	20,976	19,970	18,907	17,783	16,599	15,350	14,036	12,654	11,202	9,678	8,079	6,403	4,647	2,809	886	0	0	0
Interest	2.0%	2,013	2,351	2,677	2,990	3,289	3,571	3,837	4,083	4,308	4,511	4,690	4,843	4,967	5,061	5,123	5,150	5,140	5,102	5,181	5,220
Withdrawals:																					
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,124)	(3,225)	(5,418)
Special LP or GP Fee		(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		106,586	123,364	139,517	154,977	169,673	183,527	196,463	208,396	219,240	228,906	237,298	244,319	249,865	253,829	256,099	256,558	255,084	259,061	261,018	260,820
Cumulative Replacement Reserves																					
Beginning Balance		50,000	67,665	85,933	97,008	116,375	136,390	145,352	166,481	188,306	199,126	173,156	195,959	207,790	231,871	183,139	132,329	105,810	110,324	127,995	152,342
Deposits		16,500	16,748	16,999	17,254	17,512	17,775	18,042	18,312	18,587	18,866	19,149	19,436	19,728	20,024	20,324	20,629	20,938	21,252	21,571	21,895
Interest	2.0%	1,165	1,521	1,889	2,113	2,503	2,906	3,087	3,513	3,952	4,171	3,655	4,114	4,353	4,838	3,866	2,853	2,326	2,419	2,776	3,266
Withdrawals		0	0	(7,813)	0	0	(11,719)	0	0	(11,719)	(49,008)	0	(11,719)	0	(73,594)	(75,000)	(50,000)	(18,750)	(6,000)	0	0
Ending Balance		67,665	85,933	97,008	116,375	136,390	145,352	166,481	188,306	199,126	173,156	195,959	207,790	231,871	183,139	132,329	105,810	110,324	127,995	152,342	177,503
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
Net Operating Income		48,246	47,350	46,399	45,393	44,330	43,207	42,022	40,773	39,459	38,077	36,625	35,101	33,502	31,826	30,070					
Plus Reserves		16,500	16,748	16,999	17,254	17,512	17,775	18,042	18,312	18,587	18,866	19,149	19,436	19,728	20,024	20,324					
Less Interest Expense		(9,929)	(9,773)	(9,616)	(9,457)	(9,297)	(9,135)	(8,971)	(8,806)	(8,639)	(8,471)	(8,300)	(8,128)	(7,955)	(7,779)	(7,602)					
Less Long Depreciation		(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)	(152,466)					
Less Short Depreciation		(5,714)	(5,714)	(5,714)	(5,714)	(5,714)	(5,714)	(5,714)	0	0	0	0	0	0	0	0					
Taxable Income (Loss)		(103,363)	(103,856)	(104,398)	(104,990)	(105,635)	(106,333)	(107,088)	(102,186)	(103,059)	(103,993)	(104,992)	(106,057)	(107,191)	(108,395)	(109,674)					
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Plus Tax Savings		36,177	36,350	36,539	36,747	36,972	37,217	37,481	35,765	36,070	36,398	36,747	37,120	37,517	37,938	38,386					
Plus Historic Rehab Credits		0																			
Plus State Credits		0	0	0	0	0															
Plus Federal Housing Credits		327,300	327,300	327,300	327,300	327,300	327,300	327,300	327,300	327,300	327,300										
After Tax Cash Flow		363,477	363,650	363,839	364,047	364,272	364,517	364,781	363,065	363,370	363,698	36,747	37,120	37,517	37,938	38,386					

Original Basis	4,232,808
Less Depreciation	(2,326,986)
Basis at Sale	6,559,794
Sales Price	750,513
Gain	(5,809,281)
Exit Tax	0

04-Jun-10 **Centre Drive, Milton Vermont**

Total Residential Units:	24	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	23	Increase in Income from Other Sources:	1.50%
Percent Restricted:	95.83%	Increase in Income from Commercial:	1.50%
Total Development Cost:	3,727,900	Expense increase:	3.00%
Total Development Cost per Unit:	155,329	Vacancy Rate:	5%
Total Development Cost Per SF:	127	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	263,161	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	263,161	Sponsor's Estimated Yield:	76.01%

LIHTC - 9%	7.85%	(May 2010)
LIHTC - 4%	3.36%	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	1,470,000	39.43%	6.00%	30	20
VHCB		0.00%	4.00%	30	deferred
HOME		0.00%	1.00%	20	int. only
Deferred Developer's Fee	129,509	3.47%	4.00%	30	deferred
TCAP	690,000	18.51%	N/A	N/A	
Tax Credit Equity	2,000,224	53.66%	N/A	N/A	
TOTAL SOURCES	4,289,733	100.00%			

USES

Acquisition	0	0.00%
Construction Hard Costs	3,460,489	80.67%
Soft Costs	829,244	19.33%
TOTAL USES	4,289,733	100%
Gap	0	

General Partner's Capital Contribution	200	0.01%
Limited Partner's Capital Contribution	2,000,024	99.99%
Total Equity	2,000,224	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	23
Total Units	24
Unit Fraction	95.83%
Tax Credit Square Footage	22,078
Total Residential Square Footage	22,800
Square Footage Fraction	96.83%
Applicable Fraction	95.83%

		Total Development Costs - Residential Only Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	0	0	0.00
2	Purchase of Building(s)		0	0.00
3	Demolition (without replacement)		0	0.00
4	Property Appraisal	0	0	0.00
5	Legal - Title and Recording	0	0	0.00
	Subtotal - Acquisition	0	0	0.00
	CONSTRUCTION HARD COSTS			
6	Rehabilitation		0	0.00
7	New Building(s)	2,351,595	97,983	79.95
8	Accessory Buildings		0	0.00
9	Sitework	298,181	12,424	10.14
10	Commercial Space Costs (if any)		0	0.00
11	General Requirements	58,529	2,439	1.99
12	Contractor Overhead - in Construction		0	0.00
13	Contractor Profit - in Construction		0	0.00
14	Construction Contingency	158,987	6,624	5.41
15	Construction Management		0	0.00
16	Construction Bond Fee	57,346	2,389	1.95
17	Hazardous Materials Abatement		0	0.00
18	Off-Site Improvements		0	0.00
19	Furnishings, Fixtures, & Equipment	27,600	1,150	0.94
20	Other (________________)		0	0.00
	Subtotal - Hard Costs	2,952,237	123,010	100.37
	SOFT COSTS			
21	Architectural	42,597	1,775	1.45
22	Engineering	42,597	1,775	1.45
23	Legal/Accounting	23,519	980	0.80
24	Relocation		0	0.00
25	Environmental Assessment		0	0.00
26	Energy Assessment	4,260	177	0.14
27	Permits/Fees	34,078	1,420	1.16
28	Independent Market Study	7,000	292	0.24
29	Construction Period Insurance	12,779	532	0.43
30	Construction Interest	18,936	926	0.76
31	Construction Loan Origination Fee	12,524	613	0.50
32	Taxes During Construction	8,519	355	0.29
	Clerk of the Works		0	0.00
34	Marketing	12,779	532	0.43
35	Tax Credit Fees	~~10,776~~	~~449~~	~~0.37~~
36	Soft Cost Contingency		0	0.00
37	Permanent Loan Origination Fee	12,524	613	0.50
38	Lender's Counsel's Fee	8,519	355	0.29
39	Other (____________)		0	0.00
	SYNDICATION COSTS			
40	Organizational (Partnership)	10,000	417	0.34
41	Bridge Loan Fees and Expenses	50,246	2,094	1.71
42	Syndication Consultant	50,006	2,084	1.70
43	Tax Opinion	10,000	417	0.34
	DEVELOPER'S FEES			
44	Developer's Fees	246,915	10,288	8.39
45	Other Partnership Fees		0	0.00
46	Consultant Fees	67,400	2,808	2.29
	RESERVES			
47	Working Capital	21,533	897	0.73
48	Rent-up (Deficit Escrow) Reserve	68,156	2,840	2.32
49	Other Operating Reserves		0	0.00
50	Sinking Fund		0	0.00
51	Replacement Reserves		0	0.00
	Subtotal - Soft Costs	775,663	32,319	26.37
	TOTAL DEVELOPMENT COSTS	3,727,900	155,329	127

04-Jun-10 **Centre Drive, Milton Vermont**

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic	Commercial Basis
	ACQUISITION						
1	Land	0					
2	Purchase of Building(s)	0					0
3	Demolition (without replacement)	0					0
4	Property Appraisal	0			0		0
5	Legal - Title and Recording	0			0		0
	Subtotal - Acquisition	0					
	CONSTRUCTION HARD COSTS						
6	Rehabilitation	0					0
7	New Building(s)	2,351,595		2,351,595	2,351,595		408,667
8	Accessory Buildings	0					0
9	Sitework	298,181		298,181	298,181		51,819
10	Commercial Space Costs (if any)	0					0
11	General Requirements	58,529		58,529	58,529		10,171
12	Contractor Overhead - in Construction	0		0	0		0
13	Contractor Profit - in Construction	0		0	0		0
14	Construction Contingency	158,987		158,987	158,987		27,629
15	Construction Management	0		0	0		0
16	Construction Bond Fee	57,346		57,346	57,346		9,966
17	Hazardous Materials Abatement	0		0	0		0
18	Off-Site Improvements	0		0	0		0
19	Furnishings, Fixtures, & Equipment	27,600		27,600	27,600		0
20	Other (__________)	0		0	0		0
	Subtotal - Hard Costs	2,952,237					
	SOFT COSTS						
21	Architectural	42,597		42,597	42,597		7,403
22	Engineering	42,597		42,597	42,597		7,403
23	Legal/Accounting	23,519		23,519	23,519		1,481
24	Relocation	0		0	0		0
25	Environmental Assessment	0		0	0		0
26	Energy Assessment	4,260		4,260	4,260		740
27	Permits/Fees	34,078		34,078	34,078		5,922
28	Independent Market Study	7,000		7,000	7,000		0
29	Construction Period Insurance	12,779		12,779	12,779		2,221
30	Construction Interest	22,226		22,226	22,226		3,291
31	Construction Loan Origination Fee	14,700		14,700	14,700		2,176
32	Taxes During Construction	8,519		8,519	8,519		1,481
33	Clerk of the Works	0		0	0		0
34	Marketing	12,779					
35	Tax Credit Fees	~~10,776~~		10,776	10,776		0
36	Soft Cost Contingency	0		0	0		0
37	Permanent Loan Origination Fee	14,700					
38	Lender's Counsel's Fee	8,519		8,519	8,519		1,481
39	Other (__________)	0		0	0		0
	SYNDICATION COSTS						
40	Organizational (Partnership)	10,000					
41	Bridge Loan Fees and Expenses	50,246					
42	Syndication Consultant	50,006					
43	Tax Opinion	10,000					
	DEVELOPER'S FEES						
44	Developer's Fees	246,915		246,915	246,915		
45	Other Partnership Fees	0		0	0		
46	Consultant Fees	67,400		67,400	67,400		
	RESERVES						
47	Working Capital	21,533					
48	Rent-up (Deficit Escrow) Reserve	68,156					
49	Other Operating Reserves	0					
50	Sinking Fund	0					
51	Replacement Reserves	0					
	Subtotal - Soft Costs	775,663					
	TOTALS	3,727,900	0	3,498,125	3,470,525	0	541,849
	LESS: Amount of Non-qualified Financing						
	LESS: Historic tax Credit (Residential Portion)			0	0	20% Historic Cred	
	Total Eligible Basis		0	3,498,125		0 Annual Histo	
	TIMES: Adjusted for QCT/DDA	100.0%		3,498,125			
	TIMES: Applicable Fraction	95.83%	0	3,352,369			
	Total Qualified Basis		0	3,352,369	4,012,374	Long Term Depreciable Basi	
	TIMES: Applicable Percentage		3.36%	7.85%	27.5	Depreciation Schedule	
	Total Annual Credit Qualified		0	263,161	145,905	Annual Depreciation	

Total Tax Credits Requested	263,161	27,600	Short Term Depreciable Basi
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,000,024	7	Depreciation Schedule
Estimated Yield - Housing Credit Syndication	76.01%	3,943	Annual Depreciation
Equity Gap	1,438,391		
Credits Needed to fill Equity Gap	189,262		

04-Jun-10 **Centre Drive, Milton Vermont**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		722	7	719	29	60,396
2 Br		1,064	16	854	44	163,968
3 Br			0	978	59	0
4+ Br		0	0	0		0
	Totals	22,078	23			224,364

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		722	1	921	29	11,052
2 Br		1,064	0	1,056	44	0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	722	1			11,052
Common Area Square Footage		6,613				
	Grand Totals	29,413	24			235,416
		Less Vacancy	5.00%			(11,771)
					NET RENT	223,645
		OTHER INCOME				
		Laundry				0
		Parking				0
Commercial Sq. Ft. = 6,793		Commercial Space Income				77,440
		Other				0
Total Sq. Ft Res. + Commercial 36,206					TOTAL INCOME	301,085

04-Jun-10 **Centre Drive, Milton Vermont**

Building #	Unit #	Check all Applicable: HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	A: Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	B: OCCUPIED BY: Income level of residents to be served: <30%	<50%	<60%	<80%	<100%	>100%	C: AFFORDABLE TO: Units affordable to residents at: 30%	50%	60%	65%	80%	100%+
	11				X					1	735	719	29	748			X						X			
	12								X	1	735	921	29	950						X						X
	13				X					2	1,087	854	44	898			X						X			
	14				X					2	1,085	854	44	898			X						X			
	15				X					1	694	719	29	748			X						X			
	16				X					2	1,086	854	44	898			X						X			
	17				X					1	723	719	29	748			X						X			
	18				X					2	1,043	854	44	898			X						X			
	19				X					2	995	854	44	898			X						X			
	21				X					1	735	719	29	748			X						X			
	22				X					1	735	719	29	748			X						X			
	23				x					2	1,087	854	44	898			X						X			
	24				X					2	1,085	854	44	898			X						X			
	25				X					1	694	719	29	748			X						X			
	26				X					2	1,086	854	44	898			X						X			
	27				X					1	723	719	29	748			X						X			
	28				X					2	1,043	854	44	898			X						X			
	29				X					2	995	854	44	898			X						X			
	19				X					2	1,087	854	44	898			X						X			
	31				X					2	1,085	854	44	898			X						X			
	32				X					2	1,086	854	44	898			X						X			
	33				X					2	1,086	854	44	898			X						X			
	34				X					2	1,048	854	44	898			X						X			
	35				X					2	1,043	854	44	898			X						X			
Total # Units	24									Totals:	22,801	19,618		Total # Units:	0	0	23	0	0	1	0	0	23	0	0	1

Total Annual Gross Rent	246,648
Total Annual Net Rent	235,416

revision date: 8/6/2007

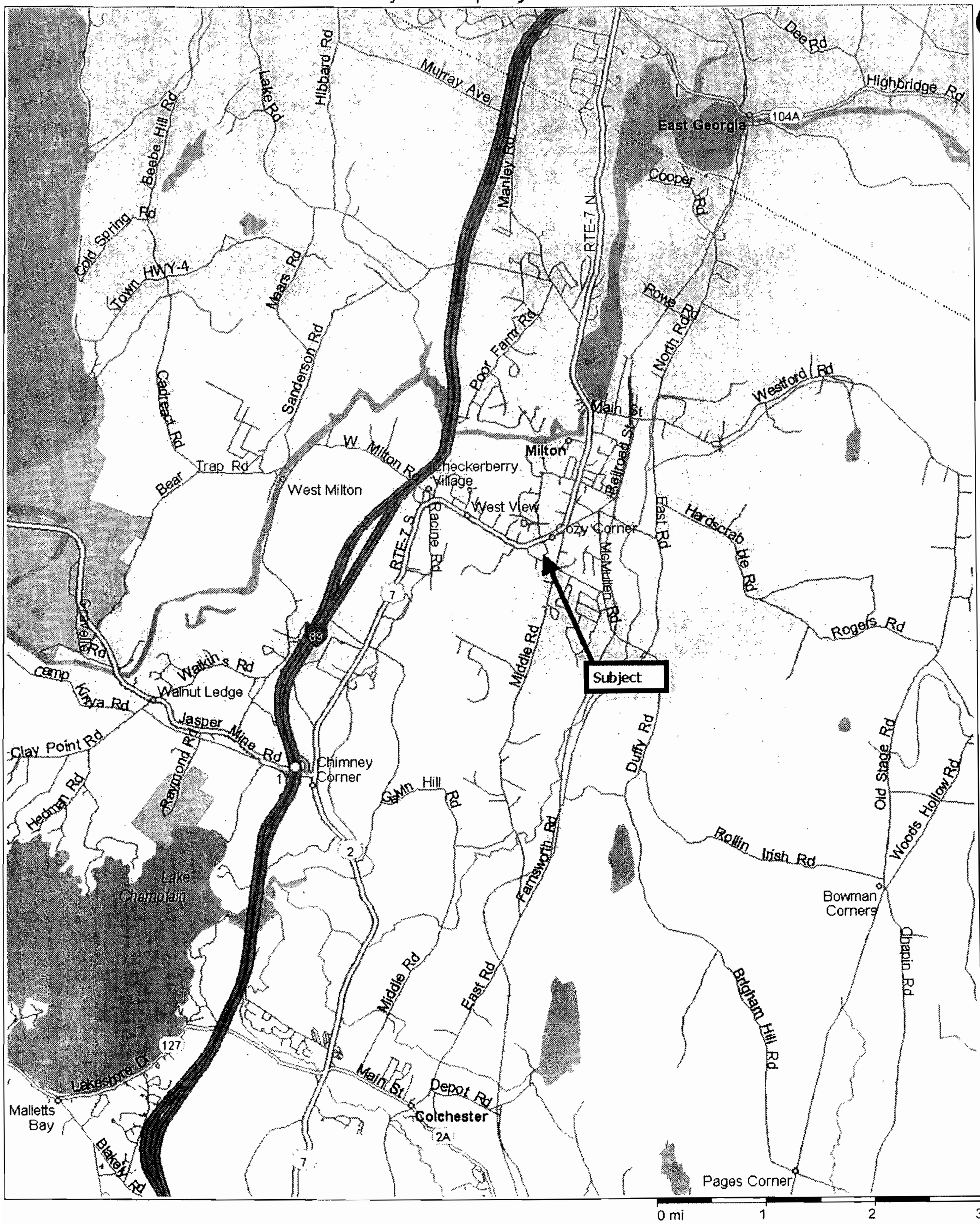
04-Jun-10 **Centre Drive, Milton Vermont**

	RESIDENTIAL Annual	Monthly	Per Unit Per Month
Administration			
Management Fee	15,700	1,308	55
Supportive Services	0	0	0
Audit/Accounting	3,408	284	12
Legal	852	71	3
Compliance Monitoring	1,500	125	5
Marketing	1,278	106	4
Other	0	0	0
TOTAL ADMINISTRATIVE	22,738	1,895	79
Utilities			
Electricity	1,500	125	5
Fuel	15,000	1,250	52
Water and Sewer	6,390	532	22
Fire Alarm / Emergency	852	71	3
Other	0	0	0
TOTAL UTILITIES	23,742	1,978	82
Maintenance			
Maintenance / Janitor Payroll	15,000	1,250	52
Janitor Supplies	500	42	2
Exterminating	500	42	2
Trash Removal	4,000	333	14
Snow Removal	1,704	142	6
Grounds	2,130	177	7
Repairs Material	2,000	167	7
Repairs Contract	2,000	167	7
HVAC Repairs / Maintenance	500	42	2
Elevator Contract / Repairs	3,000	250	10
Painting and Decorating	2,500	208	9
Other	0	0	0
TOTAL MAINTENANCE	33,834	2,819	117
Real Estate Taxes	35,782	2,982	124
Property Insurance	10,223	852	35
Replacement Reserves	10,080	840	35
Primary Debt Service	0	0	0
Other "must pay" debt service	0	0	0
Other - Land Lease	30,670	2,556	106
Total	167,068	13,922	580

04-Jun-10 **Centre Drive, Milton Vermont**

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operating Income																					
Gross Rent		235,416	238,947	242,531	246,169	249,862	253,610	257,414	261,275	265,194	269,172	273,210	277,308	281,468	285,690	289,975	294,325	298,740	303,221	307,769	312,385
Other Income		77,440	78,602	79,781	80,978	82,192	83,425	84,676	85,947	87,236	88,544	89,873	91,221	92,589	93,978	95,387	96,818	98,270	99,745	101,241	102,759
Vacancy and other losses		(11,771)	(11,947)	(12,127)	(12,308)	(12,493)	(12,680)	(12,871)	(13,064)	(13,260)	(13,459)	(13,660)	(13,865)	(14,073)	(14,284)	(14,499)	(14,716)	(14,937)	(15,161)	(15,388)	(15,619)
Total Operating Income		301,085	305,602	310,186	314,838	319,561	324,354	329,220	334,158	339,170	344,258	349,422	354,663	359,983	365,383	370,864	376,427	382,073	387,804	393,621	399,525
Operating Expenses																					
Total Expenses (excl. Reserves)		174,700	179,941	185,339	190,899	196,626	202,525	208,601	214,859	221,305	227,944	234,782	241,826	249,080	256,553	264,249	272,177	280,342	288,752	297,415	306,338
Reserves		10,080	10,231	10,385	10,540	10,699	10,859	11,022	11,187	11,355	11,525	11,698	11,874	12,052	12,233	12,416	12,602	12,791	12,983	13,178	13,376
Total Operating Expense		184,780	190,172	195,724	201,440	207,325	213,384	219,623	226,046	232,660	239,469	246,480	253,699	261,132	268,785	276,666	284,779	293,134	301,736	310,593	319,713
Net Operating Income		116,305	115,429	114,462	113,399	112,236	110,970	109,597	108,112	106,511	104,789	102,941	100,964	98,851	96,597	94,198	91,647	88,939	86,068	83,028	79,812
Less Primary Debt Service		105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	105,761	899,613
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		10,545	9,669	8,701	7,638	6,475	5,210	3,836	2,351	750	(972)	(2,819)	(4,797)	(6,910)	(9,163)	(11,563)	(14,113)	(16,821)	(19,692)	(22,733)	(819,801)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	972	2,819	4,797	6,910	9,163	11,563	14,113	16,821	19,692	22,733	819,801
Net Cash		10,545	9,669	8,701	7,638	6,475	5,210	3,836	2,351	750	0	0	0	0	0	0	0	0	0	0	0
DCR		109.97%	109.14%	108.23%	107.22%	106.12%	104.93%	103.63%	102.22%	100.71%	99.08%	97.33%	95.46%	93.47%	91.34%	89.07%	86.66%	84.09%	81.38%	78.51%	8.87%
Cumulative Cash Flow																					
Beginning Balance		0	10,650	20,629	29,829	38,140	45,443	51,614	56,521	60,026	61,984	62,251	60,677	57,094	51,326	43,189	32,490	19,027	2,586	(17,054)	(40,128)
Deposits		10,545	9,669	8,701	7,638	6,475	5,210	3,836	2,351	750	0	0	0	0	0	0	0	0	0	0	0
Interest	2.0%	105	310	500	673	828	961	1,071	1,154	1,208	1,240	1,245	1,214	1,142	1,027	864	650	381	52	(341)	(803)
Withdrawals:																					
Project Operating Needs		0	0	0	0	0	0	0	0	0	(972)	(2,819)	(4,797)	(6,910)	(9,163)	(11,563)	(14,113)	(16,821)	(19,692)	(22,733)	(819,801)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		10,650	20,629	29,829	38,140	45,443	51,614	56,521	60,026	61,984	62,251	60,677	57,094	51,326	43,189	32,490	19,027	2,586	(17,054)	(40,128)	(860,732)
Cumulative Replacement Reserves																					
Beginning Balance		0	10,181	20,718	31,621	42,899	54,563	66,621	79,086	91,967	105,275	119,021	133,217	147,873	163,003	178,618	194,731	211,354	228,500	246,183	264,417
Deposits		10,080	10,231	10,385	10,540	10,699	10,859	11,022	11,187	11,355	11,525	11,698	11,874	12,052	12,233	12,416	12,602	12,791	12,983	13,178	13,376
Interest	2.0%	101	306	518	738	965	1,200	1,443	1,694	1,953	2,221	2,497	2,783	3,078	3,382	3,697	4,021	4,355	4,700	5,055	5,422
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		10,181	20,718	31,621	42,899	54,563	66,621	79,086	91,967	105,275	119,021	133,217	147,873	163,003	178,618	194,731	211,354	228,500	246,183	264,417	283,214

Subject Property Location



NOTES:

1) THIS IS NOT A SURVEY. BOUNDARY INFORMATION SHOWN IS BASED ON A SURVEY ENTITLED "MILTON CENTRE, FINAL PLAT" BY FITZPATRICK-LLEWELLYN INCORPORATED, ESSEX JUNCTION, VERMONT, DATED NOVEMBER 1984 AND RECORDED IN MAP SLIDE 179 OF THE TOWN OF MILTON LAND RECORDS AND DESIGNATED THEREIN AS MAP 179-B.

2) THE LOCATIONS OF EXISTING UNDERGROUND UTILITIES ARE SHOWN IN AN APPROXIMATE WAY ONLY AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE OWNER OR THE ENGINEER. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE COMMENCING WORK, AND AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT BE OCCASIONED BY THE CONTRACTORS FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL UNDERGROUND UTILITIES. IT IS THE CONTRACTORS RESPONSIBILITY TO CONTACT "DIG SAFE" AT 1-800-225-4977 TO LOCATE ANY UNDERGROUND UTILITIES BEFORE EXCAVATION BEGINS. THE CONTRACTOR IS TO NOTIFY THE ENGINEER IMMEDIATELY OF ANY DISCREPANCY BETWEEN UTILITIES AS SHOWN AND AS FOUND.

3) FINAL ENGINEERING DESIGN AND CONNECTION TO THE EXISTING PUMP STATION WILL BE REVIEWED WITH THE TOWN OF MILTON ONCE THE TOWN ACQUIRES OWNERSHIP. CONNECTIONS, INVERTS, STORAGE AND PUMP STATION OPERATION TO BE FIELD VERIFIED.

4) INSTALL STABILIZED CONSTRUCTION ENTRANCE AND SILT FENCE AROUND PERIMETER PRIOR TO CONSTRUCTION.

5) THE 8" SEWER SERVICE SHALL REMAIN PRIVATE. THE SEWER SERVICE AND EASEMENT ACROSS FLETCHER ALLEN HEALTHCARE SHALL BENEFIT MARKETPLACE, LLC AND RICHARD AND KIMBERLY LEBLANC.

6) THE COMMUNITY ROOM WILL BE OPEN FOR USE BY BOTH COMMERCIAL AND RESIDENTIAL TENANTS.

7) UPSTREAM CONSTRUCTION SHALL BE COMPLETED AND STABILIZED BEFORE CONNECTION TO A DOWNSTREAM INFILTRATION FACILITY. A DENSE AND VIGOROUS VEGETATIVE COVER SHALL BE ESTABLISHED OVER THE CONTRIBUTING PERVIOUS DRAINAGE AREAS BEFORE RUNOFF CAN BE ACCEPTED INTO THE FACILITY.

OWNER OF RECORD:

RICHARD & KIMBERLY LEBLANC
172 SANDHILL ROAD
ESSEX JUNCTION, VERMONT 05452
238-8253

APPLICANT:
BOVE BROTHERS REALTY
218 OVERLAKE DRIVE
COLCHESTER, VT 05446

PROJECT LOCATION
LOT 13, AREA 1.1 ACRES
CENTRE DRIVE
MILTON, VERMONT
BOOK 188, PG 577
MAP 27-9-13

ZONING: DOWNTOWN BUSINESS DISTRICT (DB)

	REQUIRED	PROPOSED
LOT AREA:	5,000 SQ. FT.	1.1 ACRES
ROAD FRONTAGE:	0 FT.	
FRONT SETBACK:	0 FT.	
SIDE SETBACK:	0 FT.	
REAR SETBACK:	0 FT.	
LOT COVERAGE:	80%	50.2% (0.57 ACRES)
BUILDING HEIGHT:	5 STORIES UP TO 70 FT	4 STORIES
BUILDING FOOTPRINT:	65,000 SQ. FT.	8,840 SQ. FT.
COMMERCIAL SQ. FT.		7,521 SQ. FT.
PARKING: HOUSING	1.5 PER UNIT WITH 1 OR 2 BEDROOMS	
	1.5x10 (1) BEDROOM UNITS =	15 SPACES
	1.5x14 (2) BEDROOM UNITS =	21 SPACES
		36 SPACES
COMMERCIAL (PERSONAL/PROFESSIONAL SERVICES)	3 SPACES/1000 GFA	
	7,521 SQ. FT. x 3 SPACES/1000 =	23 SPACES
	TOTAL REQUIRED	59 SPACES
	TOTAL PROVIDED	53 SPACES

59 REQUIRED SPACES - 53 PROVIDED SPACES = 6 SPACES TO BE WAIVED

LEGEND

	EXISTING	PROPOSED	DEMOLITION
SEWER MAINS			
WATER MAINS AND SERVICES			
STORM DRAINAGE			
LIQUID PROPANE OR NATURAL GAS			
OVERHEAD POWER			
UNDERGROUND POWER & TELEPHONE			
TOPOGRAPHIC CONTOURS			
PAVED DRIVE OR ROAD			
GRAVEL DRIVE OR ROAD			
STREAM OR SWALE			
PROPERTY LINE			
EASEMENTS			
FENCE			
SEWER MANHOLE (SMH)			
STORM CLEANOUT (CO)			
CATCH BASIN (CB)			
VALVE			
FIRE HYDRANT (HYD)			
UTILITY POLE			
LIGHT		POLE MOUNTED WALL MOUNT, DRIVEWAY WALL MOUNT, DOORWAY BOLLARD	

TRUDELL CONSULTING ENGINEERS (TCE)

LOCUS MAP

SCALE: 1" = 200'

PLANT LIST

KEY	SCIENTIFIC NAME	COMMON NAME	QUAN.	SIZE	COMMENTS
AF	Acer x freemanii 'Autumn Blaze'	Autumn Blaze Maple	4	2"-2 1/2"	B&B
AS	Acer saccharum	Sugar Maple	2	2"-2 1/2"	B&B
AM	Aronia melanocarpa 'Autumn Magic'	Autumn Magic Chokeberry	6	3 gal.	CONT.
CF	Calycanthus floridus	Spicebush	4	2 gal.	CONT.
CA	Cotoneaster apiculatus	Cranberry Cotoneaster	19	2 gal.	CONT.
JCSV	Juniperus chinensis 'Sargentii viridis'	Sargent Green Juniper	18	2 gal.	CONT.
MA	Malus 'Adams'	Adams Crabapple	4	7 gal.	B&B
PA	Picea abies	Norway Spruce	22	6'-7'	B&B
PN	Pinus nigra	Austrian Pine	6	6'-7'	B&B
PM	Pinus mugo	Mugo Pine	2	7 gal.	CONT.
PMM	Pinus mugo mughus	Dwarf Mugo Pine	2	2 gal.	CONT.
PFS	Potentilla fruticosa 'Sundance'	Sundance Cinquefoil	10	2 gal.	CONT.
RHA	Rhus aromatica 'Gro-Low'	Dwarf Fragrant Sumac	18	3 gal.	CONT.
SF	Spiraea fritschiana	Korean Spirea	24	3 gal.	CONT. white
UAP	Ulmus americana 'Princeton'	Princeton American Elm	6	2 1/2"-3"	B&B

THIS FINAL PLAT HAS BEEN APPROVED BY RESOLUTION OF THE DEVELOPMENT REVIEW BOARD OF THE TOWN OF MILTON, VT, THIS ______ DAY OF ____________ 200__ SUBJECT TO THE REQUIREMENTS AND CONDITIONS OF SAID RESOLUTION.

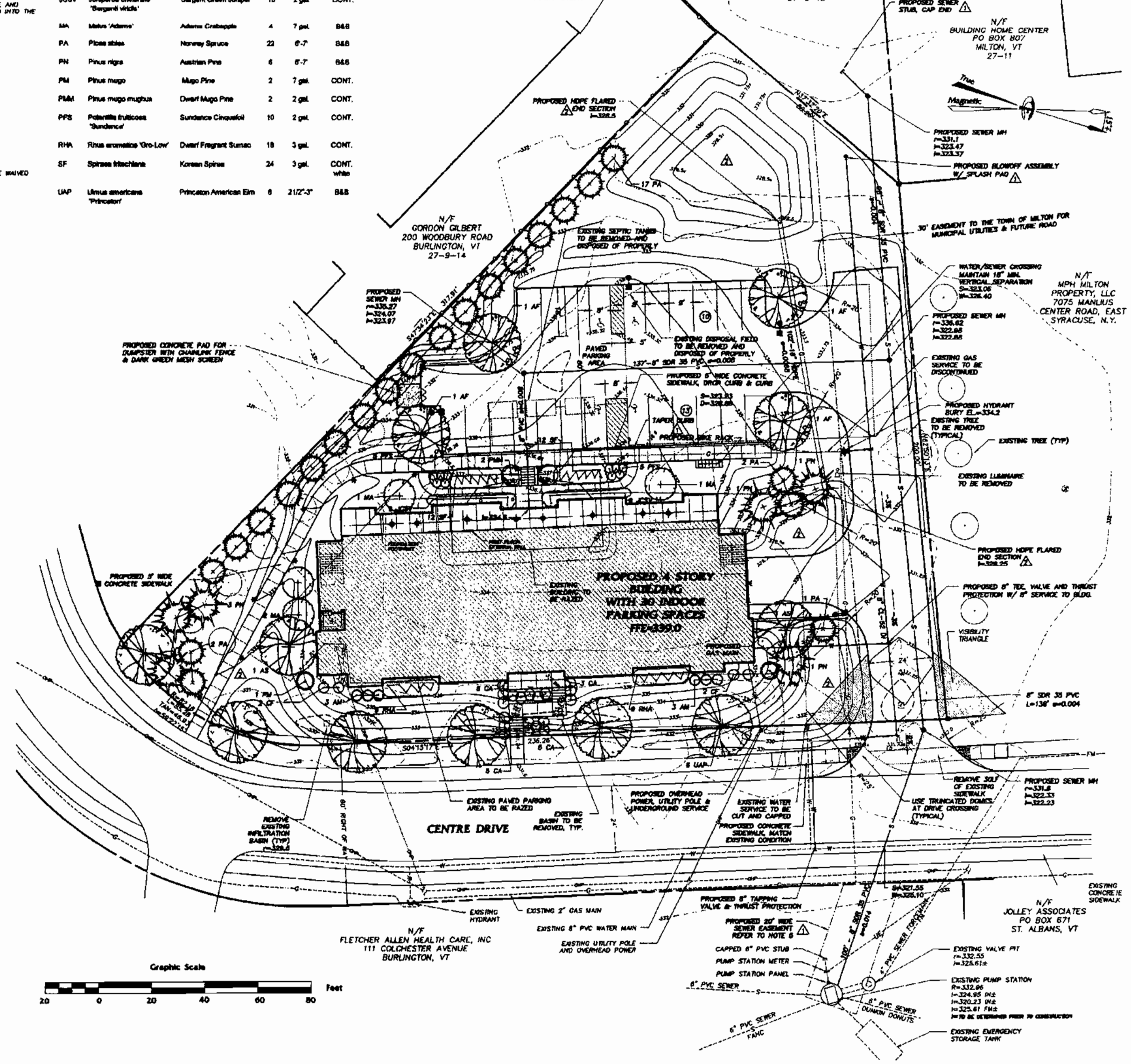
SIGNED THIS ______ DAY OF ____________ 200__

BY ______________________ CHAIR.

TOWN OF MILTON, VT

Received for record ____________ 200__
at ____________ O'Clock ____ m. and Recorded
in Milton Land Records Slide ____________

Attest: ______________________
Town Clerk



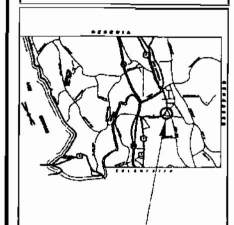
TRUDELL CONSULTING ENGINEERS (TCE)

478 Blair Park Road P.O. Box 308 (802) 879-6331(phone)
Williston, Vermont 05495 (802) 879-0060(fax)

Visit Us on the Web at: www.TrudellConsulting.com

THESE PLANS ARE SUITABLE FOR THE PURPOSE OF:

- CONCEPTUAL APPROVAL SUBMISSION
- PRELIMINARY APPROVAL SUBMISSION
- ACT 250 SUBMISSION
- FINAL APPROVAL SUBMISSION
- CONSTRUCTION DRAWINGS



Project Location

No.	Description	Date	By
2	Stormwater design revisions to comply with VSMM standards	8/20/08	NTH
1	Milton DRB Revisions	5/28/08	NTH

Revisions

STATE OF VERMONT · NO. 7837 CIVIL · LICENSED PROFESSIONAL ENGINEER

Project Title

BOVE BROTHERS REALTY

Centre Drive
Milton, Vermont

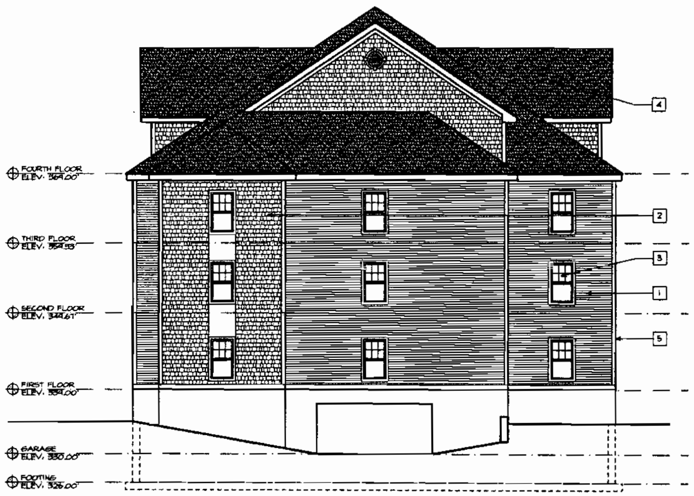
Sheet Title

Site Plan

Drawing Number: 2008016-S1 Extension: 1
Project manager: DAB Drawn: RMP
Date: 03/21/08 F.B. 232 Scale: 1"=20'
Project reference: 2006151 X-Ref: 2008016etc
Bench File: XXX
Approved

SP1

EAST ELEVATION
SCALE: 1/8" = 1'-0"



NORTH ELEVATION
SCALE: 1/8" = 1'-0"

EXTERIOR MATERIALS

1	SIDING TYPE-1:	CONCRETE BOARD LAP SIDING BY JAMES HARDIE OR APPROVED EQUAL COLOR HEATHERED MOSS JH50-20
2	SIDING TYPE-2:	CONCRETE BOARD 'HARDISHINGLE' BY JAMES HARDIE OR APPROVED EQUAL. COLOR MOUNTAIN SAGE JH50-30
3	WINDOWS:	CLAD WOOD LOW-E ARGON FILLED WINDOWS BY MARVIN OR APPROVED EQUAL. COLOR: WHITE
4	ROOFING:	ASPHALT THREE-DIMENSIONAL STYLE SHINGLES (IKO 90 OR EQUAL). COLOR AS SELECTED BY ARCHITECT.
5	EXTERIOR TRIM:	FIBER CEMENT 'HARDITRIM' FOR INSIDE & OUTSIDE CORNERS, SOFFITS, WINDOW & DOOR SURROUNDS, TRIM FOR FASCIAS, EAVES, RAKES, WATERTABLE, ETC. COLOR ALPINE FROST JH60-10
6	STOREFRONT:	ALUMINUM STOREFRONT COMPONENTS WITH LOW-E ARGON FILLED GLASS. COLOR: WHITE
7	EXTERIOR FINISH:	SYNTHETIC STUCCO FINISH (E.F.I.S.) INSTALLED IN ACCORDANCE WITH MANUFACTURER'S SPECS. COLOR HEATHERED MOSS JH50-20

SIGN INFORMATION

SIGNS ARE REGULATED BY MILTON ZONING ORDINANCE SECTION 831.1
THIS BUILDING MAY HAVE ONE BUILDING MOUNTED SIGN WITH A MAXIMUM AREA OF 24 SQ.FT. AND ONE FREE-STANDING SIGN NOT EXCEEDING 24 SQ.FT.

SIGNS MAY NOT BE INTERNALLY ILLUMINATED.

ALL SIGNS ARE TO BE CRVED OR PAINTED WOOD WITH INDIRECT LIGHTING.

REVISIONS:	DATE:
PRELIMINARY PRICING SET	03/18/08
COLORS AND SIGN INFORMATION ADDED	04/12/2008

EXTERIOR ELEVATIONS
SCALE: 1/8" = 1'-0"

CENTRE DRIVE MIXED USE BUILDING
MILTON, VERMONT

RABIDEAU ARCHITECTS

SHEET NUMBER
A-6
DATE: 03/18/08

ribbon demographics

www.ribbondata.com

HISTA DATA

nielsen
Nielsen Claritas

Renter Households
Under Age 55 Years
Current Year Estimates - 2009

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	18	0	3	10	0	**31**
$10,000-20,000	29	2	3	18	7	**59**
$20,000-30,000	16	12	16	8	0	**52**
$30,000-40,000	11	10	18	2	0	**41**
$40,000-50,000	5	9	12	17	5	**48**
$50,000-60,000	6	0	4	15	8	**33**
$60,000+	22	40	17	7	0	**86**
Total	**107**	**73**	**73**	**77**	**20**	**350**

Renter Households
Aged 55-61 Years
Current Year Estimates - 2009

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	0	0	0	0	0	**0**
$10,000-20,000	0	0	0	0	0	**0**
$20,000-30,000	0	0	1	0	0	**1**
$30,000-40,000	0	0	0	0	0	**0**
$40,000-50,000	0	0	0	0	0	**0**
$50,000-60,000	2	2	3	2	3	**12**
$60,000+	0	0	0	0	0	**0**
Total	**2**	**2**	**4**	**2**	**3**	**13**

Renter Households
Aged 62+ Years
Current Year Estimates - 2009

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	59	0	0	0	0	**59**
$10,000-20,000	19	15	0	0	0	**34**
$20,000-30,000	32	5	0	0	0	**37**
$30,000-40,000	1	2	1	1	1	**6**
$40,000-50,000	0	14	0	0	0	**14**
$50,000-60,000	1	1	1	1	2	**6**
$60,000+	0	0	0	0	0	**0**
Total	**112**	**37**	**2**	**2**	**3**	**156**

21-Jun-10 **Hausner Building**

Total Residential Units:	38	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	38	Increase in Income from Other Sources:	1.50%
Percent Restricted:	100.00%	Increase in Income from Commercial:	1.50%
Total Development Cost:	6,688,616	Expense increase:	3.00%
Total Development Cost per Unit:	176,016	Vacancy Rate:	5%
Total Development Cost Per SF:	169	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	758,798	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	757,072	Sponsor's Estimated Yield:	70.70%

LIHTC - 9%	9.00%	(June 2010)
LIHTC - 4%	3.35%	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	691,796	10.34%	6.75%	30	30
VHCB		0.00%	4.00%	30	deferred
HOME	250,000	3.74%	1.00%	20	int. only
VCDP	485,618	7.26%	4.00%	30	deferred
Other Equity	23,343	0.35%	N/A	N/A	
Tax Credit Equity	5,352,502	80.02%	N/A	N/A	
TOTAL SOURCES	6,803,259	101.71%			

USES

Acquisition	7,362	0.11%
Construction Hard Costs	5,023,163	75.10%
Soft Costs	1,658,091	24.79%
TOTAL USES	6,688,616	100%
Gap	(114,643)	

General Partner's Capital Contribution	53,525	1.00%
Limited Partner's Capital Contribution	5,298,977	99.00%
Total Equity	5,352,502	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	38
Total Units	38
Unit Fraction	100.00%
Tax Credit Square Footage	39,598
Total Residential Square Footage	39,598
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

revision date: 8/6/2007

21-Jun-10 **Hausner Building**

		Budget	Per Unit	Per s.f.	Allocation of Sources: VHCB Terms:___	HOME Terms:___	VCDP Terms:___	Debt Terms:___	Equity Terms:___	Other Terms:___	TOTAL SOURCES	check
	ACQUISITION											
1	Land	0	0	0.00							0	0
2	Purchase of Building(s)	0	0	0.00							0	0
3	Demolition (without replacement)	0	0	0.00							0	0
4	Property Appraisal	3,500	92	0.09				404	3,096		3,500	0
5	Legal - Title and Recording	3,862	102	0.10				446	3,416		3,862	0
	Subtotal - Acquisition	7,362	194	0.19								
	CONSTRUCTION HARD COSTS											0
6	Rehabilitation		0	0.00							0	0
7	New Building(s)	3,357,310	88,350	84.78		250,000	485,618	300,049	2,298,300	23,343	3,357,310	0
8	Infrastructure	375,073	9,870	9.47							0	375,073
9	Sitework	409,501	10,776	10.34				47,288	362,213		409,501	0
10	Commercial Space Costs (if any)		0	0.00							0	0
11	General Requirements	248,513	6,540	6.28				28,698	219,816		248,514	(1)
12	Contractor Overhead	87,808	2,311	2.22				10,140	77,668		87,808	0
13	Contractor Profit	263,424	6,932	6.65				30,419	233,004		263,423	1
14	Construction Contingency	219,520	5,777	5.54				25,349	194,170		219,519	1
15	Construction Management		0	0.00							0	0
16	Construction Bond Fee	62,014	1,632	1.57				7,161	54,853		62,014	0
17	Hazardous Materials Abatement		0	0.00							0	0
18	Off-Site Improvements		0	0.00							0	0
19	Furnishings, Fixtures, & Equipment		0	0.00							0	0
20	Other (________________)		0	0.00							0	0
	Subtotal - Hard Costs	5,023,163	132,189	126.85								
	SOFT COSTS											
21	Architectural	173,866	4,575	4.39				20,077	153,788		173,865	1
22	Engineering		0	0.00							0	0
23	Legal/Accounting	38,618	1,016	0.98				4,459	34,159		38,618	0
24	Relocation		0	0.00							0	0
25	Environmental Assessment	772	20	0.02				89	683		772	0
26	Energy Assessment		0	0.00							0	0
27	Permits/Fees	173,781	4,573	4.39				20,068	153,714		173,782	(1)
28	Independent Market Study	3,500	92	0.09				404	3,096		3,500	0
29	Construction Period Insurance	7,724	203	0.20				892	6,832		7,724	0
30	Construction Interest	229,791	6,047	5.80				26,536	203,256		229,792	(1)
31	Construction Loan Origination Fee	52,134	1,372	1.32				6,020	46,114		52,134	0
32	Taxes During Construction	19,309	508	0.49				2,230	17,079		19,309	0
33	Clerk of the Works	9,268	244	0.23				1,070	8,198		9,268	0
34	Marketing	22,912	603	0.58				2,646	20,267		22,913	(1)
35	Tax Credit Fees	30,850	812	0.78				3,562	27,288		30,850	0
36	Soft Cost Contingency		0	0.00							0	0
37	Permanent Loan Origination Fee	20,000	526	0.51				2,310	17,690		20,000	0
38	Lender's Counsel's Fee	15,000	395	0.38				1,732	13,268		15,000	0
39	Other (Cost of Issuance)	5,000	132	0.13				577	4,423		5,000	0
	SYNDICATION COSTS											
40	Organizational (Partnership)		0	0.00							0	0
41	Bridge Loan Fees and Expenses		0	0.00							0	0
42	Syndication Consultant		0	0.00							0	0
43	Tax Opinion	5,000	132	0.13				577	4,423		5,000	0
	DEVELOPER'S FEES											
44	Developer's Fees	700,566	18,436	17.69				80,899	619,667		700,566	0
45	Other Partnership Fees		0	0.00							0	0
46	Consultant Fees		0	0.00							0	0
	RESERVES											
47	Working Capital	150,000	3,947	3.79				17,322	132,678		150,000	0
48	Rent-up (Deficit Escrow) Reserve		0	0.00							0	0
49	Other Operating Reserves		0	0.00							0	0
50	Sinking Fund		0	0.00							0	0
51	Replacement Reserves		0	0.00							0	0
	Subtotal - Soft Costs	1,658,091	43,634	41.87								
	TOTAL DEVELOPMENT COSTS	6,688,616	176,016	169	0	250,000	485,618	641,424	4,913,159	23,343	6,313,544	

COST BASIS FOR DEVEL FEE	5,838,050
DEVELOPER FEE	700,566
DEVELOPER FEE %	12.00%

21-Jun-10 **Hausner Building**

#		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to Date	To be Incurred	Total
	ACQUISITION									
1	Land	0								
2	Purchase of Building(s)	0								
3	Demolition (without replacement)	0								
4	Property Appraisal	3,500	3,500		3,500					
5	Legal - Title and Recording	3,862	3,862		3,862					
	Subtotal - Acquisition	7,362								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	0		0	0					
7	New Building(s)	3,357,310		3,357,310	3,357,310					
8	Infrastructure	375,073		375,073	375,073					
9	Sitework	409,501		409,501	409,501					
10	Commercial Space Costs (if any)	0								
11	General Requirements	248,513		248,513	248,513					
12	Contractor Overhead	87,808		87,808	87,808					
13	Contractor Profit	263,424		263,424	263,424					
14	Construction Contingency	219,520		219,520	219,520					
15	Construction Management	0		0	0					
16	Construction Bond Fee	62,014		62,014	62,014					
17	Hazardous Materials Abatement	0		0	0					
18	Off-Site Improvements	0		0	0					
19	Furnishings, Fixtures, & Equipment	0		0	0					
20	Other (____________________)	0		0	0					
	Subtotal - Hard Costs	5,023,163								
	SOFT COSTS									
21	Architectural	173,866		173,866	173,866					
22	Engineering	0		0	0					
23	Legal/Accounting	38,618		38,618	38,618					
24	Relocation	0		0	0					
25	Environmental Assessment	772		772	772					
26	Energy Assessment	0		0	0					
27	Permits/Fees	173,781		173,781	173,781					
28	Independent Market Study	3,500		3,500	3,500					
29	Construction Period Insurance	7,724		7,724	7,724					
30	Construction Interest	229,791		229,791	229,791					
31	Construction Loan Origination Fee	52,134		52,134	52,134					
32	Taxes During Construction	19,309		19,309	19,309					
33	Clerk of the Works	9,268		9,268	9,268					
34	Marketing	22,912								
35	Tax Credit Fees	30,850		30,850	30,850					
36	Soft Cost Contingency	0		0	0					
37	Permanent Loan Origination Fee	20,000								
38	Lender's Counsel's Fee	15,000		15,000	15,000					
39	Other (Cost of Issuance)	5,000		5,000	5,000					
	SYNDICATION COSTS									
40	Organizational (Partnership)	0								
41	Bridge Loan Fees and Expenses	0								
42	Syndication Consultant	0								
43	Tax Opinion	5,000								
	DEVELOPER'S FEES									
44	Developer's Fees	700,566		700,566	700,566					
45	Other Partnership Fees	0		0	0					
46	Consultant Fees	0		0	0					
	RESERVES									
47	Working Capital	150,000								
48	Rent-up (Deficit Escrow) Reserve	0								
49	Other Operating Reserves	0								
50	Sinking Fund	0								
51	Replacement Reserves	0								
	Subtotal - Soft Costs	1,658,091								
	TOTALS	6,688,616	7,362	6,483,342	6,490,704	0				
	LESS: Amount of Non-qualified Financing		0	0						
	LESS: Historic tax Credit (Residential Portion)			0	0	20% Historic Credit Rate				
	Total Eligible Basis		7,362	6,483,342		0 Annual Historic Credit				
	TIMES: Adjusted for QCT/DDA	130.0%		8,428,345						
	TIMES: Applicable Fraction	100.00%	7,362	8,428,345						
	Total Qualified Basis		7,362	8,428,345	6,490,704	Long Term Depreciable Basis				
	TIMES: Applicable Percentage		3.35%	9.00%	27.5	Depreciation Schedule				
	Total Annual Credit Qualified		247	758,551	236,026	Annual Depreciation				

Total Tax Credits Requested	757,072	0	Short Term Depreciable Basis
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	5,298,977	7	Depreciation Schedule
Estimated Yield - Housing Credit Syndication	70.70%	0	Annual Depreciation
Equity Gap	5,237,859		
Credits Needed to fill Equity Gap	748,340		

21-Jun-10 **Hausner Building**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		672	28	756		254,016
2 Br		1,080	8	904		86,784
3 Br		945	2	1,083		25,992
4+ Br			0	0		0
	Totals	29,346	38			366,792

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage		10,252		
	Grand Totals	39,598	38	366,792
	Less Vacancy		5.00%	(18,340)
			NET RENT	348,452

OTHER INCOME

Laundry	9,880
Parking	0
Commercial Space Income	0
Other	500
TOTAL INCOME	358,832

21-Jun-10

Hausner Building

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
					20			20		1	672	795	27	822			X						X			
		8			8		1	7		1	672	657	27	684		X						X				
					6			6		2	1,080	945	41	986			X						X			
		2			2		1			2	1,080	780	41	821		X						X				
					2			2		3	945	1,083	56	1,139			X						X			
Total # Units	38									Totals:	39,820	366,792		Total # Units:	0	10	28	0	0	0	0	10	28	0	0	0

revision date: 8/6/2007

21-Jun-10 **Hausner Building**

	Annual	Monthly	Per Unit Per Month		
Administration					
Management Fee	21,519	1,793	47	6.0%	
Supportive Services	0	0	0		
Audit/Accounting	4,500	375	10		
Legal	1,000	83	2		
Compliance Monitoring	2,736	228	6		2,736
Marketing	1,000	83	2		
Other	1,000	83	2		
TOTAL ADMINISTRATIVE	31,755	2,646	70		
Utilities					
Electricity	7,000	583	15		
Fuel	28,000	2,333	61		
Water and Sewer	9,000	750	20		
Fire Alarm / Emergency	4,500	375	10		
Other	0	0	0		
TOTAL UTILITIES	48,500	4,042	106		
Maintenance					
Maintenance / Janitor Payroll	18,000	1,500	39		
Janitor Supplies	2,000	167	4		
Exterminating	500	42	1		
Trash Removal	14,500	1,208	32		
Snow Removal	14,500	1,208	32		
Grounds	14,500	1,208	32		
Repairs Material	5,000	417	11		
Repairs Contract	5,000	417	11		
HVAC Repairs / Maintenance	4,000	333	9		
Elevator Contract / Repairs	3,500	292	8		
Painting and Decorating	6,000	500	13		
Other	2,000	167	4		
TOTAL MAINTENANCE	89,500	7,458	196		
				per unit month	
Real Estate Taxes	51,300	4,275	113	excl. ds & res.	
Property Insurance	9,000	750	20	605	
Replacement Reserves	15,960	1,330	35		
Primary Debt Service		0	0		
Other "must pay" debt service		0	0		
Other	45,600	3,800	100		
Total	291,615	24,301	640		

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	291,615

21-Jun-10		Hausner Building														
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		366,792	372,294	377,878	383,546	389,300	395,139	401,066	407,082	413,188	419,386	425,677	432,062	438,543	445,121	451,798
Other Income		10,380	10,536	10,694	10,854	11,017	11,182	11,350	11,520	11,693	11,868	12,046	12,227	12,411	12,597	12,786
Vacancy and other losses		(18,340)	(18,615)	(18,894)	(19,177)	(19,465)	(19,757)	(20,053)	(20,354)	(20,659)	(20,969)	(21,284)	(21,603)	(21,927)	(22,256)	(22,590)
Total Operating Income		358,832	364,215	369,678	375,223	380,852	386,564	392,363	398,248	404,222	410,285	416,440	422,686	429,027	435,462	441,994
Operating Expenses																
Total Expenses (excl. Reserves)		275,655	283,925	292,442	301,216	310,252	319,560	329,146	339,021	349,192	359,667	370,457	381,571	393,018	404,809	416,953
Reserves		15,960	16,199	16,442	16,689	16,939	17,193	17,451	17,713	17,979	18,249	18,522	18,800	19,082	19,368	19,659
Total Operating Expense		291,615	300,124	308,885	317,905	327,191	336,753	346,598	356,734	367,170	377,916	388,980	400,371	412,100	424,177	436,612
Net Operating Income		67,217	64,091	60,793	57,319	53,660	49,811	45,765	41,514	37,052	32,370	27,460	22,315	16,926	11,285	5,382
Less Primary Debt Service		53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844	53,844
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		13,374	10,247	6,950	3,475	(184)	(4,032)	(8,079)	(12,329)	(16,792)	(21,474)	(26,384)	(31,529)	(36,917)	(42,559)	(48,462)
Operating Subsidies / Sinking Fund		0	0	0	0	184	4,032	8,079	12,329	16,792	21,474	26,384	31,529	36,917	42,559	48,462
Net Cash		13,374	10,247	6,950	3,475	0	0	0	0	0	0	0	0	0	0	0
DCR		124.84%	119.03%	112.91%	106.45%	99.66%	92.51%	85.00%	77.10%	68.81%	60.12%	51.00%	41.44%	31.44%	20.96%	10.00%
Cumulative Cash Flow																
Beginning Balance		0	13,507	24,127	31,629	35,771	36,303	32,997	25,578	13,760	(2,757)	(24,286)	(51,155)	(83,707)	(122,299)	(167,303)
Deposits		13,374	10,247	6,950	3,475	0	0	0	0	0	0	0	0	0	0	0
Interest	2.0%	134	373	552	667	715	726	660	512	275	(55)	(486)	(1,023)	(1,674)	(2,446)	(3,346)
Withdrawals:																
Project Operating Needs		0	0	0	0	(184)	(4,032)	(8,079)	(12,329)	(16,792)	(21,474)	(26,384)	(31,529)	(36,917)	(42,559)	(48,462)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		13,507	24,127	31,629	35,771	36,303	32,997	25,578	13,760	(2,757)	(24,286)	(51,155)	(83,707)	(122,299)	(167,303)	(219,111)
Cumulative Replacement Reserves																
Beginning Balance		0	16,120	32,803	50,066	67,924	86,391	105,484	125,219	145,614	166,685	188,450	210,926	234,133	258,088	282,812
Deposits		15,960	16,199	16,442	16,689	16,939	17,193	17,451	17,713	17,979	18,249	18,522	18,800	19,082	19,368	19,659
Interest	2.0%	160	484	820	1,168	1,528	1,900	2,284	2,682	3,092	3,516	3,954	4,407	4,873	5,355	5,853
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		16,120	32,803	50,066	67,924	86,391	105,484	125,219	145,614	166,685	188,450	210,926	234,133	258,088	282,812	308,324
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		67,217	64,091	60,793	57,319	53,660	49,811	45,765	41,514	37,052	32,370	27,460	22,315	16,926	11,285	5,382
Plus Reserves		15,960	16,199	16,442	16,689	16,939	17,193	17,451	17,713	17,979	18,249	18,522	18,800	19,082	19,368	19,659
Less Interest Expense		(46,471)	(45,958)	(45,408)	(44,821)	(44,193)	(43,521)	(42,802)	(42,033)	(41,211)	(40,331)	(39,391)	(38,384)	(37,308)	(36,157)	(34,925)
Less Long Depreciation		(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)	(236,026)
Less Short Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(199,319)	(201,693)	(204,198)	(206,839)	(209,619)	(212,542)	(215,611)	(218,832)	(222,206)	(225,739)	(229,434)	(233,295)	(237,325)	(241,529)	(245,910)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		69,762	70,593	71,469	72,394	73,367	74,390	75,464	76,591	77,772	79,009	80,302	81,653	83,064	84,535	86,068
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		757,072	757,072	757,072	757,072	757,072	757,072	757,072	757,072	757,072	757,072					
After Tax Cash Flow		826,834	827,665	828,541	829,466	830,439	831,462	832,536	833,663	834,844	836,081	80,302	81,653	83,064	84,535	86,068
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		826,834	827,665	828,541	829,466	830,439	831,462	832,536	833,663	834,844	836,081	80,302	81,653	83,064	84,535	86,068
Future Value of Cash Flows at Yr 15:		1,981,555	1,871,270	1,767,219	1,669,048	1,576,420	1,489,021	1,406,552	1,328,732	1,255,297	1,185,996	107,462	103,085	98,930	94,984	91,232
Discount Rate:	3.00%															
Capital Contribution Number:	1	2	3	4												
Date of Capital Contribution:	21-Jun-10	21-Jun-10	21-Jun-10	21-Jun-10												
Amount of Capital Contribution:	0	0	0	0												
Present Value of Contributions:	0	0	0	0												
Cash Flows	0															16,026,805
IRR:	#NUM!															
Equity Yield:	0															

2 A-0.01 WEST ELEVATION 1/8" = 1'-0"

1 A-0.01 EAST ELEVATION 1/8" = 1'-0"

EXTERIOR ELEVATIONS

ESSEX TOWN CENTER
BUILDING G & H
8 Carmichael Street
Essex Jnction, Vermont 05452

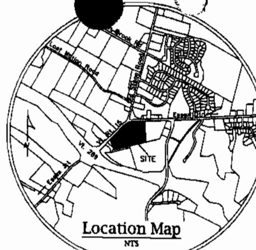
REVISED:

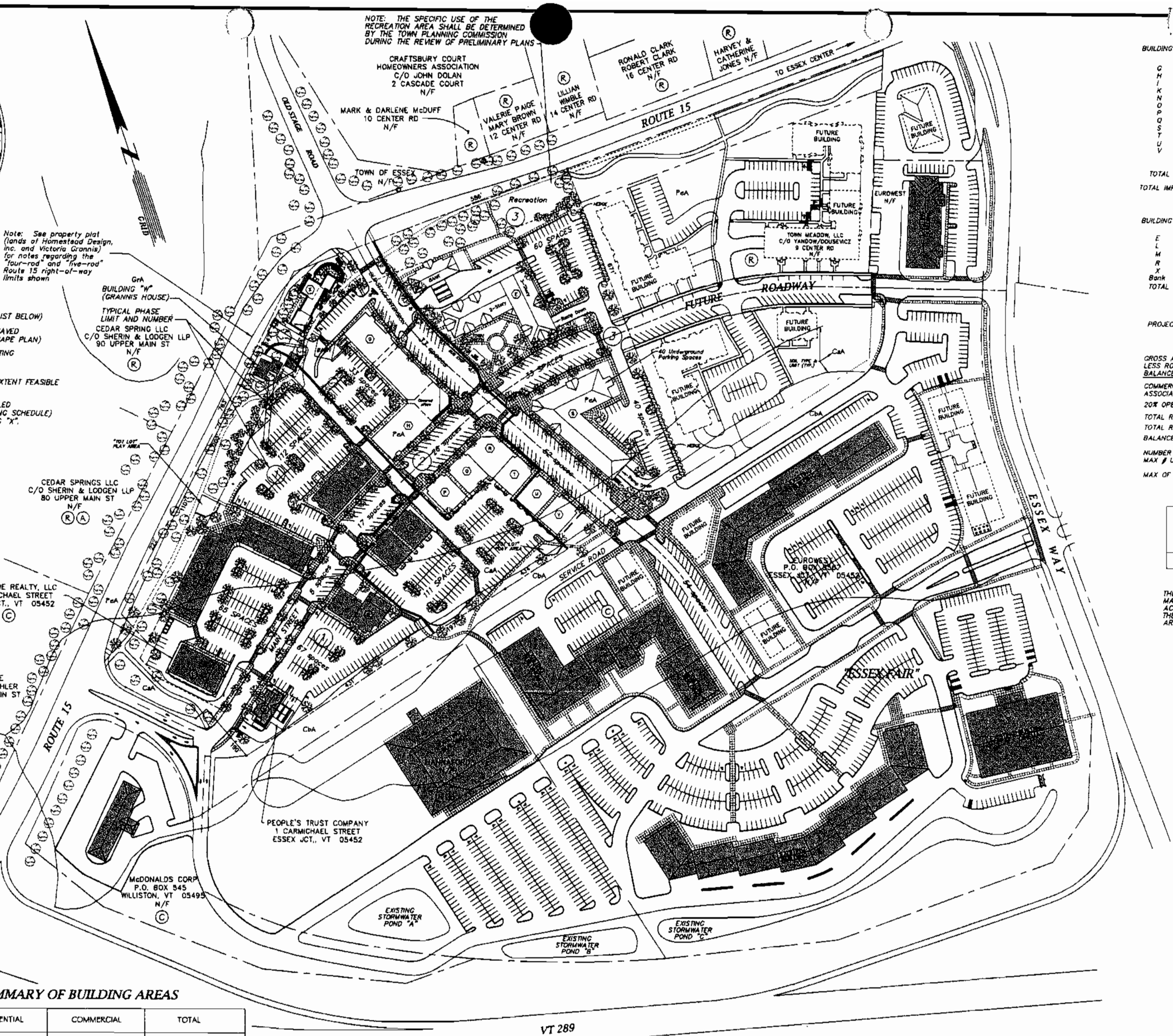
PROGRESS PRINT
NOT FOR CONSTRUCTION

HOMESTEAD DESIGN INC.
8 Carmichael Street
Essex Junction, VT 05452
Phone (802) 878-3303
FAX (802) 878-3310

SCALE:	-
DATE:	10/08/2008
DRAWN:	-
CHK'D:	-
JOB NO:	
DRAWING NO:	

A-0.01





TREE LEGEND

- PROPOSED ROUTE 15 CORRIDOR TREE (SEE LIST BELOW)
- EXISTING ROUTE 15 CORRIDOR TREE TO BE SAVED (AS SHOWN ON ROUTE 15 CORRIDOR LANDSCAPE PLAN)
- PROPOSED ADDITIONAL "PHASE1" TREE PLANTING
- EXISTING TREE TO BE SAVED
- EXISTING HEDGEROW TO BE SAVED TO THE EXTENT FEASIBLE

NOTE: SEE PLAN SHEET NUMBER 2 FOR MORE DETAILED LANDSCAPING PLAN (INCLUDING TREE PLANTING SCHEDULE) FOR THE PROPOSED PLANTINGS FOR BUILDING "X".

LAND USE LEGEND

- (A) AGRICULTURAL
- (R) RESIDENTIAL
- (C) COMMERCIAL

ROUTE 15 CORRIDOR TREES

STREET TREES

NORWAY MAPLE
RED MAPLE
SUGAR MAPLE
HORSE CHESTNUT
WHITE ASH
GREEN ASH
HORNBEAM
YELLOWOOD
VARIETIES OF HAWTHORNE
CRABAPPLE
HOP HORNBEAM
THORNLESS HONEY LOCUST
NORTHERN RED OAK
PIN OAK
SCHOLAR'S TREE
JAPANESE TREE LILAC
LITTLELEAF LINDEN
SILVER LINDEN
VARIETIES OF ELM

SCREENING TREES

EASTERN WHITE PINE
AUSTRIAN PINE
NORWAY SPRUCE
AMERICAN ARBORVITAE

Coverage Calculations

Total Lot Area	762,849 SF	100 %
Total Building Coverage	49,307 SF	6.46 %
Total Lot Coverage	278,342 SF	36.49 %
Total Open Space	484,507 SF	63.51 %

Soil Types	
PeA	Peru stony loam 0 5% slopes
GrA	Groton gravelly fine sandy loam 0 5% slopes
CbA	Cabot extremely stony silt loam 0 - 3% slopes
CaA	Cabot stony silt loam 0 - 3% slopes

SUMMARY OF BUILDING AREAS

PHASE	RESIDENTIAL	COMMERCIAL	TOTAL
1	45,416 SF (50%)	45,039 SF (50%)	90,455 SF (100%)
2	53,042 SF (54%)	45,634 SF (46%)	98,676 SF (100%)
3	23,200 SF (24%)	71,600 SF (76%)	94,800 SF (100%)
ALL	121,658 SF (43%)	162,989 SF (57%)	284,647 SF (100%)

GRAPHIC SCALE
1 inch = 100 ft.

Landowner & Applicant:
Homestead Design Inc.
8 Carmichael Street
Essex Jct., Vermont 05452

MIXED USE BUILDINGS

BUILDING	STORIES	FLOOR AREA	COMM. SF	RES. SF	# RES.
G	3	5,400	5,400	10,800	6
H	3	13,200	13,200	26,400	24
I	2	7,445	11,945	2,945	3
K	3	19,502	18,104	39,942	44
N	2	6,306	6,306	2,529	2
O	3	7,244	4,320	17,412	5
P	3	3,622	2,160	8,706	3
Q	3	3,622	2,160	8,706	3
S	3	19,790	19,790	39,580	23
T	3	3,622	2,160	8,706	3
U	3	3,622	2,160	8,706	3
V	3	3,622	2,160	8,706	3
TOTAL MIXED		96,997	89,865	183,138	123

TOTAL IMPROVED OPEN SPACE (MAX 10% LAND AREA) = 23,636 SF

COMMERCIAL ONLY BUILDINGS

BUILDING	STORIES	FLOOR AREA	COMM SF	USE
E	3	17,300	43,300	OFFICE/RETAIL/COMM
L	1	6,284	1,528/4,756	RETAIL/RESTAURANT
M	1	2,400	2,400	BANK
R	2	4,900	14,700	OFFICE/RETAIL/COMM.
X	2	4,400	4,400	OFFICE
Bank	1	4,000	4,000	BANK
TOTAL COMM ONLY		39,284	75,084	

	COMM. SF
PROJECT TOTALS	164,949 SF

DENSITY CALCULATIONS

GROSS AREA (SF)	762,849
LESS ROADS (PUBLIC & PRIVATE)	51,989
BALANCE BEFORE COMMERCIAL DEDUCTION	710,860
COMMERCIAL ONLY FOOTPRINT	39,284
ASSOCIATED PARKING (120 @ 162)	19,440
20% OPEN SPACE ALLOCATION	11,745
TOTAL REDUCTION FOOTAGE	70,469
TOTAL REDUCTION @ 33.3%	23,466
BALANCE FOR DENSITY CALCS	687,394
NUMBER OF UNITS @ 7000 SF / UNIT	98
MAX # UNITS WITH 25% DENSITY BONUS	123
MAX OF NON-RES FLOOR SPACE @ 1500 SF/UNIT	184,500

PARKING SUMMARY

EXISTING AT-GRADE	258
FUTURE PHASES AT-GRADE	399
BELOW GRADE & GARAGE PARKING	136
Total Master Plan	793

NOTE:
THE TOTAL NUMBER OF PARKING SPACES MAY BE CHANGED IN THE FUTURE ACCORDING TO THE FINAL DESIGNS OF THE FUTURE PHASES. THE NUMBERS SHOWN ARE BASED ON THE CURRENT MASTER PLAN.

INDEX OF SHEETS

date	description	by
4/05/07	ADD TOWN MEADOW PROPOSED DESIGN	DVR
2/27/07	REVISIONS TO BUILDINGS AND PARKING FOR PHASE 2 & 3	DVR
9/07/06	UPDATE PLAN FOR BUILDING "X"	DVR
3/24/05	REVISE PER SITE PLAN AMENDMENT APPROVAL	DVR
2/8/05	ADD RESTAURANT USE TO BUILDING L	DVR
1/27/05	REVISE PATH AT RTE 15/BILLIE BUTLER	DVR
12/1/04	REVISE PER BUILDING "L" APPROVAL	DVR
8/6/04	UPDATE PLAN FOR BUILDING "L"	DVR
7/8/04	UPDATE PLAN FOR BUILDING "M"	DVR
8/28/03	UPDATE PLAN FOR BUILDING "O"	DVR
8/28/03	RECALCULATE COVERAGES PER TOWN OF ESSEX	KRL
5/18/03	RECALCULATE COVERAGES PER TOWN OF ESSEX	KRL
10/8/02	UPDATE PLAN FOR BUILDING "M"	KRL
1/14/02	UPDATE PLAN FOR BUILDING "O"	KRL
04/26/01	UPDATE BUILDING USES	KRL
12/12/00	REVISIONS AS PER 4/27/00 ESSEX STIPS.	KRL
10/24/00	REVISED BUTLER'S CORS. INTERSECTION	HLS
06/01/00	REVISIONS AS PER 4/27/00 ESSEX STIPS	KRL
03/06/00	REVISE BUILDING H	PJO
07/01/99	ADJUST PARKING LOT AT BANK PER TOWN	KAS
06/08/99	UPDATE PHASE 1/2 LINES	MPW
01/19/99	UPDATE PHASE 1/2 LINE, BLDG I CHANGES	SPD
11/20/98	REVISE TABLES	DLH
4/23/98	ADJUST CONCEPTUAL ROUNDABOUT, ADD NOTE	KAS
1/27/98	ADD METES AND BOUND TO FOUR ROD R.O.W	KAS
1/21/98	CHANGE FUTURE ROADWAY NOTE	PJO
1/14/98	MINOR REVISIONS DENSITY CALCS. PER TOWN	KAS
12/23/97	MISC. UPDATES PER TOWN STIPULATIONS	KAS
8/13/97	BARN/PARKING PER HISTORIC, LOT DIMENSIONS	KAS
05/13/97	PHASING TENNIS COURT, TREES ALONG DOSTIE	KAS
05/06/97	REVS. PER HARRY SMITH COMMENTS	JBC
04/09/97	REVS. PER NEW HARRY SMITH COMMENTS	KAS
03/24/97	UPDATES FOR TOWN SUBMITTAL & HDI V.11	KAS

REVISIONS

ORIGINAL PLAN AND REVISIONS THROUGH 7/1/98 BY LAMOUREUX & DICKINSON CONSULTING ENGINEERS, INC.

HDI
HOMESTEAD DESIGN INC.
8 Carmichael Street
Essex Jct., Vermont 05452
Phone (802) 878-3303
FAX (802) 878-3310

DATE	
SURVEY	OBCA
DESIGN	PJO/KRL
DRAWN	KRL
CHECKED	PJO
SCALE	1" = 100

REVISION
☐ RECORD DRAWING ☐ PRELIMINARY
■ FINAL ☐ SKETCH/CONCEPT

O'LEARY-BURKE
CIVIL ASSOCIATES, PLC
1 CORPORATE DRIVE, SUITE #1
ESSEX JCT., VT
PHONE: 878-9990
FAX: 878-9989

Essex Town Center

Essex Vermont

Master Plan

BY:
DATE: 3/21/01
JOB #: 008
FILE: 008-M380
PLAN SHEET #: M

Google maps Address **Essex Junction, VT**

17-Jun-10 **Morrisville Community Housing**

Total Residential Units:	16	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	16	Increase in Income from Other Sources:	1.00%
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%
Total Development Cost:	3,288,287	Expense increase:	3.00%
Total Development Cost per Unit:	205,518	Vacancy Rate:	5%
Total Development Cost Per SF:	209	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	280,538	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	**193,000**	Sponsor's Estimated Yield:	78.49%

LIHTC - 9%	9.00%
LIHTC - 4%	3.36%

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
VHCB new	148,500	4.52%	0.00%	30	deferred
Energy loan	42,000	1.28%	0.00%	30	deferred
TCAP	**691,546**	21.03%	0.00%	30	deferred
VHCB existing	276,500	8.41%	0.00%	20	deferred
HOME existing	482,003	14.66%	0.00%	30	deferred
VHCB lead existing	35,000	1.06%	0.00%	30	
VHCB Lead new	11,718	0.36%	0.00%	30	deferred
Existing cash	18,000	0.55%			
VHCB feasibility grant	10,000	0.30%	0.00%	30	deferred
Tax Credit Equity	1,573,020	47.84%	N/A	N/A	
TOTAL SOURCES	3,288,287	100.00%			

USES

Acquisition	921,003	28.01%
Construction Hard Costs	1,619,503	49.25%
Soft Costs	747,781	22.74%
TOTAL USES	3,288,287	100.00%
Gap	0	

General Partner's Capital Contribution	15,149	1.00%
Limited Partner's Capital Contribution	1,499,748	99.00%
Total Equity	1,514,897	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	16
Total Units	16
Unit Fraction	100.00%
Tax Credit Square Footage	15,650
Total Residential Square Footage	15,650
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

17-Jun-10 **Morrisville Community Housing**

		Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	90,850	5,678	5.79
2	Purchase of Building(s)	817,653	51,103	52.07
3	Demolition (without replacement)		0	0.00
4	Property Appraisal	7,000	438	0.45
5	Legal - Title and Recording	5,500	344	0.35
	Subtotal - Acquisition	921,003	57,563	58.65
	CONSTRUCTION HARD COSTS			
6	Rehabilitation	1,381,015	86,313	87.95
7	New Building(s)		0	0.00
8	Accessory Buildings		0	0.00
9	Sitework		0	0.00
10	Commercial Space Costs (if any)		0	0.00
11	General Requirements		0	0.00
12	Contractor Overhead		0	0.00
13	691,546		0	0.00
14	Construction Contingency	194,888	12,181	12.41
15	Construction Management		0	0.00
16	Construction Bond Fee		0	0.00
17	Hazardous Materials Abatement	30,000	1,875	1.91
18	Off-Site Improvements		0	0.00
19	Furnishings, Fixtures, & Equipment	13,600	850	0.87
20	Other (________________)		0	0.00
	Subtotal - Hard Costs	1,619,503	101,219	103.13
	SOFT COSTS			
21	Architectural	152,307	9,519	9.70
22	Engineering		0	0.00
23	Legal/Accounting	25,000	1,563	1.59
24	Relocation	48,000	3,000	3.06
25	Environmental Assessment	5,000	313	0.32
26	Energy Assessment	5,000	313	0.32
27	Permits/Fees	9,210	576	0.59
28	Independent Market Study	3,250	203	0.21
29	Construction Period Insurance	10,000	625	0.64
30	Construction Interest	50,000	3,125	3.18
31	Construction Loan Origination Fee	28,000	1,750	1.78
32	Taxes During Construction	15,000	938	0.96
33	Clerk of the Works		0	0.00
34	Marketing	3,000	188	0.19
35	Tax Credit Fees	4,450	278	0.28
36	Soft Cost Contingency	7,500	469	0.48
37	Permanent Loan Origination Fee		0	0.00
38	Lender's Counsel's Fee	3,000	188	0.19
39	Other (______________)		0	0.00
	SYNDICATION COSTS			
40	Organizational (Partnership)		0	0.00
41	Bridge Loan Fees and Expenses		0	0.00
42	Syndication Consultant		0	0.00
43	Tax Opinion		0	0.00
	DEVELOPER'S FEES			
44	Developer's Fees	290,000	18,125	18.47
45	Other Partnership Fees		0	0.00
46	Consultant Fees		0	0.00
	RESERVES			
47	Working Capital	20,000	1,250	1.27
48	Rent-up (Deficit Escrow) Reserve		0	0.00
49	Other Operating Reserves	26,064	1,629	1.66
50	Sinking Fund		0	0.00
51	Replacement Reserves	43,000	2,688	2.74
	Subtotal - Soft Costs	747,781	46,736	47.62
	TOTAL DEVELOPMENT COSTS	3,288,287	205,518	209

17-Jun-10 **Morrisville Community Housing**

#	Item	Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other
	ACQUISITION						
1	Land	90,850					
2	Purchase of Building(s)	817,653	817,653				
3	Demolition (without replacement)	0					
4	Property Appraisal	7,000	7,000				
5	Legal - Title and Recording	5,500	5,500				
	Subtotal - Acquisition	921,003					
	CONSTRUCTION HARD COSTS						
6	**Rehabilitation**	1,381,015		1,381,015	1,381,015	249,390	
7	New Building(s)	0					
8	Accessory Buildings	0					
9	Sitework	0					
10	Commercial Space Costs (if any)	0					
11	General Requirements	0					
12	Contractor Overhead	0					
13	691,546	0					
14	691,546	194,888		194,888		36,125	
15	Construction Management	0					
16	Construction Bond Fee	0					
17	Hazardous Materials Abatement	30,000		30,000		6,000	
18	Off-Site Improvements	0					
19	Furnishings, Fixtures, & Equipment	13,600		13,600			
20	Other (________________)	0					
	Subtotal - Hard Costs	1,619,503					
	SOFT COSTS						
21	Architectural	152,307		152,307		28,558	
22	Engineering	0					
23	Legal/Accounting	25,000		20,000		4,219	
24	Relocation	48,000		48,000		9,000	
25	Environmental Assessment	5,000		5,000		469	
26	Energy Assessment	5,000		5,000		469	
27	Permits/Fees	9,210		9,210		1,727	
28	Independent Market Study	3,250		3,250		609	
29	Construction Period Insurance	10,000		10,000		2,110	
30	Construction Interest	50,000		25,000		4,688	
31	Construction Loan Origination Fee	28,000		28,000		5,813	
32	Taxes During Construction	15,000		15,000		2,110	
33	Clerk of the Works	0					
34	Marketing	3,000					
35	Tax Credit Fees	4,450					
36	Soft Cost Contingency	7,500		7,500		1,406	
37	Permanent Loan Origination Fee	0					
38	Lender's Counsel's Fee	3,000		3,000			
39	Other (______________)	0					
	SYNDICATION COSTS						
40	Organizational (Partnership)	0					
41	Bridge Loan Fees and Expenses	0					
42	Syndication Consultant	0					
43	Tax Opinion	0					
	DEVELOPER'S FEES						
44	Developer's Fees	290,000		290,000		54,375	
45	Other Partnership Fees	0					
46	Consultant Fees	0					
	RESERVES						
47	Working Capital	20,000					
48	Rent-up (Deficit Escrow) Reserve	0					
49	Other Operating Reserves	26,064					
50	Sinking Fund	0					
51	Replacement Reserves	43,000					
	Subtotal - Soft Costs	747,781					
	TOTALS	3,288,287	830,153	2,240,770	1,381,015	407,067	
	LESS: Amount of Non-qualified Financing						
	LESS: Historic tax Credit (Residential Portion)			81,413	81,413	20% Historic Credit Rate	
	Total Eligible Basis		830,153	2,159,357		81,413 Annual Historic Credit	
	TIMES: Adjusted for QCT/DDA	130.00%		2,807,164			
	TIMES: Applicable Fraction	100.00%	830,153	2,807,164			
	Total Qualified Basis		830,153	2,807,164	1,299,602	Long Term Depreciable Basis	
	TIMES: Applicable Percentage		3.36%	9.00%	27.5	Depreciation Schedule	
	Total Annual Credit Qualified		27,893	252,645	47,258	Annual Depreciation	

Total Tax Credits Requested	193,000
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	1,499,748
Estimated Yield - Housing Credit Syndication	78.49%
Equity Gap	1,499,748
Credits Needed to fill Equity Gap	193,000

13,600	Short Term Depreciable Basis
7	Depreciation Schedule
1,943	Annual Depreciation

17-Jun-10 **Morrisville Community Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		802	5	547		32,820
2 Br		983	7	621		52,164
3 Br		1,190	4	767		36,816
4+ Br			0	0		0
	Totals	15,650	16			121,800

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br	691,546		0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage		53		
	Grand Totals	15,703	16	121,800
	Less Vacancy		5.00%	(6,090)
			NET RENT	115,710

OTHER INCOME

Laundry	0
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	115,710

17-Jun-10

Morrisville Community Housing

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
75 George	1				1	1				3	1,360	850	59	909			1						1			
	2	1			1	1				3	1,199	683	59	742		1						1				
61 Cherry	3	1			1	1				1	571	492	29	521		1						1				
	4				1					1	680	550	29	579			1						1			
	5				1					2	739	650	44	694			1						1			
	6				1					1	991	650	29	679			1						1			
	7				1					3	1,075	850	59	909			1						1			
81 Summer	8				1					2	1,220	650	44	694			1						1			
	9				1					2	898	650	44	694			1						1			
	10		1		1					1	902	492	29	521			1						1			
93 Summer	11	1			1					2	1,200	600	44	644		1						1				
	12				1					2	867	695	44	739			1						1			
	13				1					1	867	550	29	579			1						1			
Little River	1				1					2	980	550	44	594			1						1			
	2				1					2	977	550	44	594			1						1			
	3	1			1					3	1,124	683	59	742		1						1				
Total # Units	16									Totals:	15,650	10,145	Total # Units:		0	4	12	0	0	0	0	4	12	0	0	0

Plus common sf 53

15,703

revision date: 8/6/2007

17-Jun-10 **Morrisville Community Housing**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	14,400	1,200	75	12.4%
Supportive Services		0	0	
Audit/Accounting	3,840	320	20	
Legal	1,536	128	8	
Compliance Monitoring	1,152	96	6	
Marketing	768	64	4	
Other	960	80	5	
TOTAL ADMINISTRATIVE	22,656	1,888	118	
Utilities				
Electricity	1,920	160	10	
Fuel	17,280	1,440	90	
Water and Sewer	5,760	480	30	
Fire Alarm / Emergency		0	0	
Other	0	0	0	
TOTAL UTILITIES	24,960	2,080	130	
Maintenance				
Maintenance / Janitor Payroll	6,720	560	35	
Janitor Supplies	4,800	400	25	
Exterminating	960	80	5	
Trash Removal	3,456	288	18	
Snow Removal	3,840	320	20	
Grounds	3,840	320	20	
Repairs Material	2,304	192	12	
Repairs Contract		0	0	
HVAC Repairs / Maintenance	1,920	160	10	
Elevator Contract / Repairs		0	0	
Painting and Decorating		0	0	
Other		0	0	
TOTAL MAINTENANCE	27,840	2,320	145	
				per unit month
Real Estate Taxes	14,400	1,200	75	excl. ds & res.
Property Insurance	5,760	480	30	498
Replacement Reserves	9,600	800	50	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other		0	0	
Total	105,216	8,768	548	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulati\	105,216

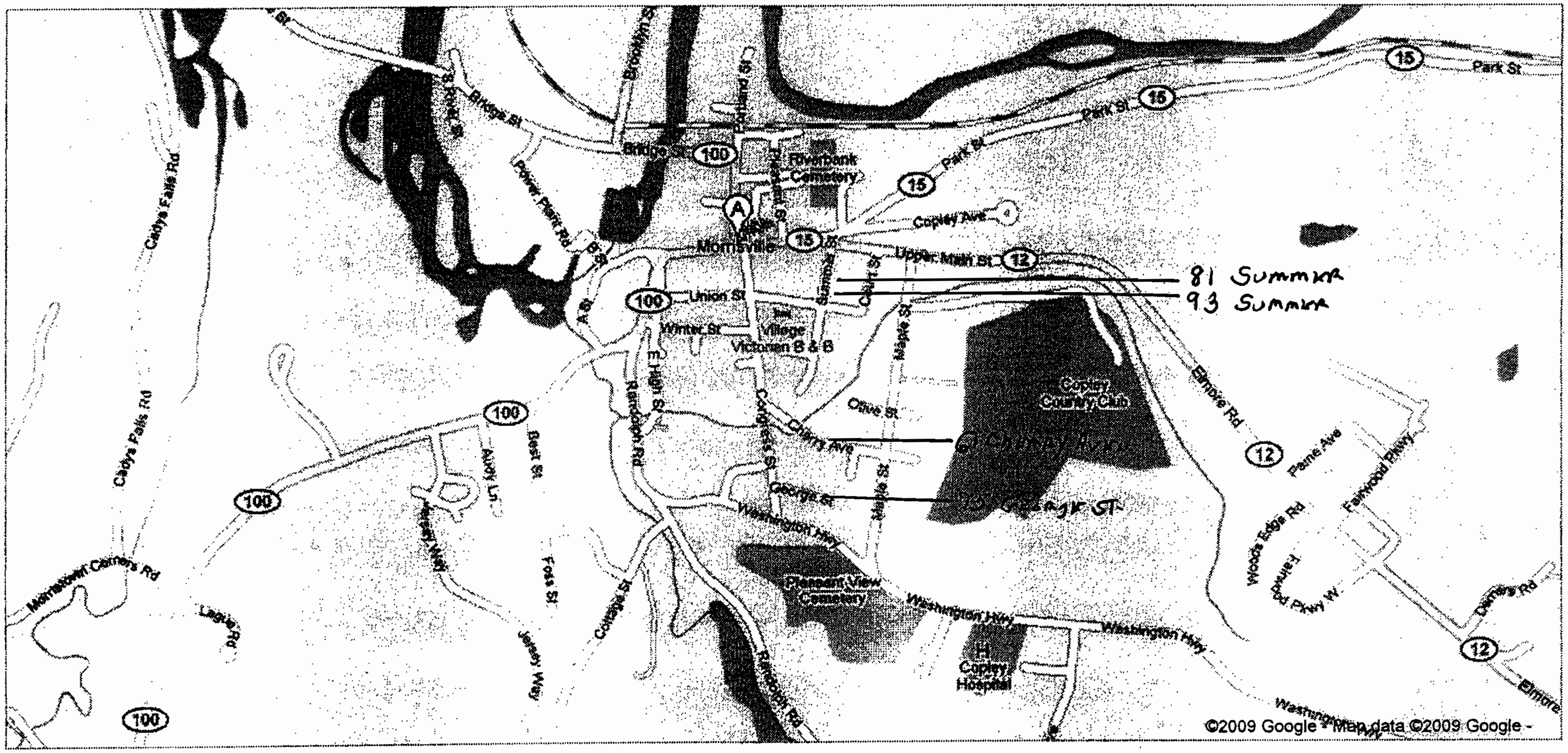
17-Jun-10

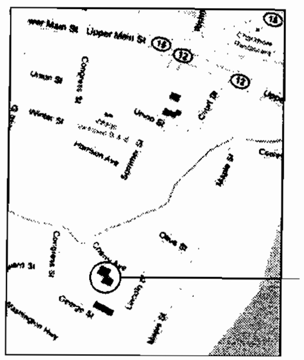
Morrisville Community Housing

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		121,800	123,627	125,481	127,364	129,274	131,213	133,181	135,179	137,207	139,265	141,354	143,474	145,626	147,811	150,028
Other Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy and other losses		(6,090)	(6,181)	(6,274)	(6,368)	(6,464)	(6,561)	(6,659)	(6,759)	(6,860)	(6,963)	(7,068)	(7,174)	(7,281)	(7,391)	(7,501)
Total Operating Income		115,710	117,446	119,207	120,995	122,810	124,653	126,522	128,420	130,346	132,302	134,286	136,300	138,345	140,420	142,526
Operating Expenses																
Total Expenses (excl. Reserves)		95,616	98,484	101,439	104,482	107,617	110,845	114,171	117,596	121,123	124,757	128,500	132,355	136,326	140,415	144,628
Reserves		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Total Operating Expense		105,216	108,228	111,329	114,521	117,806	121,187	124,668	128,250	131,938	135,734	139,641	143,663	147,803	152,065	156,453
Net Operating Income		10,494	9,217	7,878	6,475	5,005	3,465	1,855	170	(1,591)	(3,432)	(5,355)	(7,363)	(9,459)	(11,645)	(13,926)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		10,494	9,217	7,878	6,475	5,005	3,465	1,855	170	(1,591)	(3,432)	(5,355)	(7,363)	(9,459)	(11,645)	(13,926)
Operating Subsidies / Sinking Fund	691,546	0	0	0	0	0	0	0	0	1,591	3,432	5,355	7,363	9,459	11,645	13,926
Net Cash		10,494	9,217	7,878	6,475	5,005	3,465	1,855	170	0	0	0	0	0	0	0
DCR		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																
Beginning Balance		26,064	37,184	47,237	56,139	63,801	70,132	75,035	78,409	80,149	80,160	78,331	74,543	68,671	60,586	50,152
Deposits		10,494	9,217	7,878	6,475	5,005	3,465	1,855	170	0	0	0	0	0	0	0
Interest	2.0%	626	836	1,024	1,188	1,326	1,437	1,519	1,570	1,603	1,603	1,567	1,491	1,373	1,212	1,003
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	(1,591)	(3,432)	(5,355)	(7,363)	(9,459)	(11,645)	(13,926)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		37,184	47,237	56,139	63,801	70,132	75,035	78,409	80,149	80,160	78,331	74,543	68,671	60,586	50,152	37,229
Cumulative Replacement Reserves																
Beginning Balance		43,000	53,556	64,469	75,747	87,401	87,440	99,634	105,229	110,884	116,598	117,416	123,368	129,378	135,444	141,561
Deposits		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Interest	2.0%	956	1,169	1,388	1,615	1,850	1,852	2,098	2,211	2,326	2,442	2,460	2,580	2,702	2,825	2,949
Withdrawals		0	0	0	0	(12,000)	0	(7,000)	(7,210)	(7,426)	(12,600)	(7,649)	(7,879)	(8,115)	(8,358)	(50,000)
Ending Balance		53,556	64,469	75,747	87,401	87,440	99,634	105,229	110,884	116,598	117,416	123,368	129,378	135,444	141,561	106,335
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		10,494	9,217	7,878	6,475	5,005	3,465	1,855	170	(1,591)	(3,432)	(5,355)	(7,363)	(9,459)	(11,645)	(13,926)
Plus Reserves		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation		(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)	(47,258)
Less Short Depreciation		(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(29,107)	(30,240)	(31,433)	(32,688)	(34,007)	(35,394)	(36,849)	(36,434)	(38,035)	(39,714)	(41,472)	(43,313)	(45,239)	(47,253)	(49,360)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		10,187	10,584	11,001	11,441	11,903	12,388	12,897	12,752	13,312	13,900	14,515	15,159	15,834	16,539	17,276
Plus Historic Rehab Credits		81,413														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000					
After Tax Cash Flow		284,601	203,584	204,001	204,441	204,903	205,388	205,897	205,752	206,312	206,900	14,515	15,159	15,834	16,539	17,276
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		284,601	203,584	204,001	204,441	204,903	205,388	205,897	205,752	206,312	206,900	14,515	15,159	15,834	16,539	17,276
Future Value of Cash Flows at Yr 15:		682,063	460,284	435,121	411,375	388,966	367,818	347,859	327,937	310,217	293,491	19,425	19,138	18,858	18,583	18,312

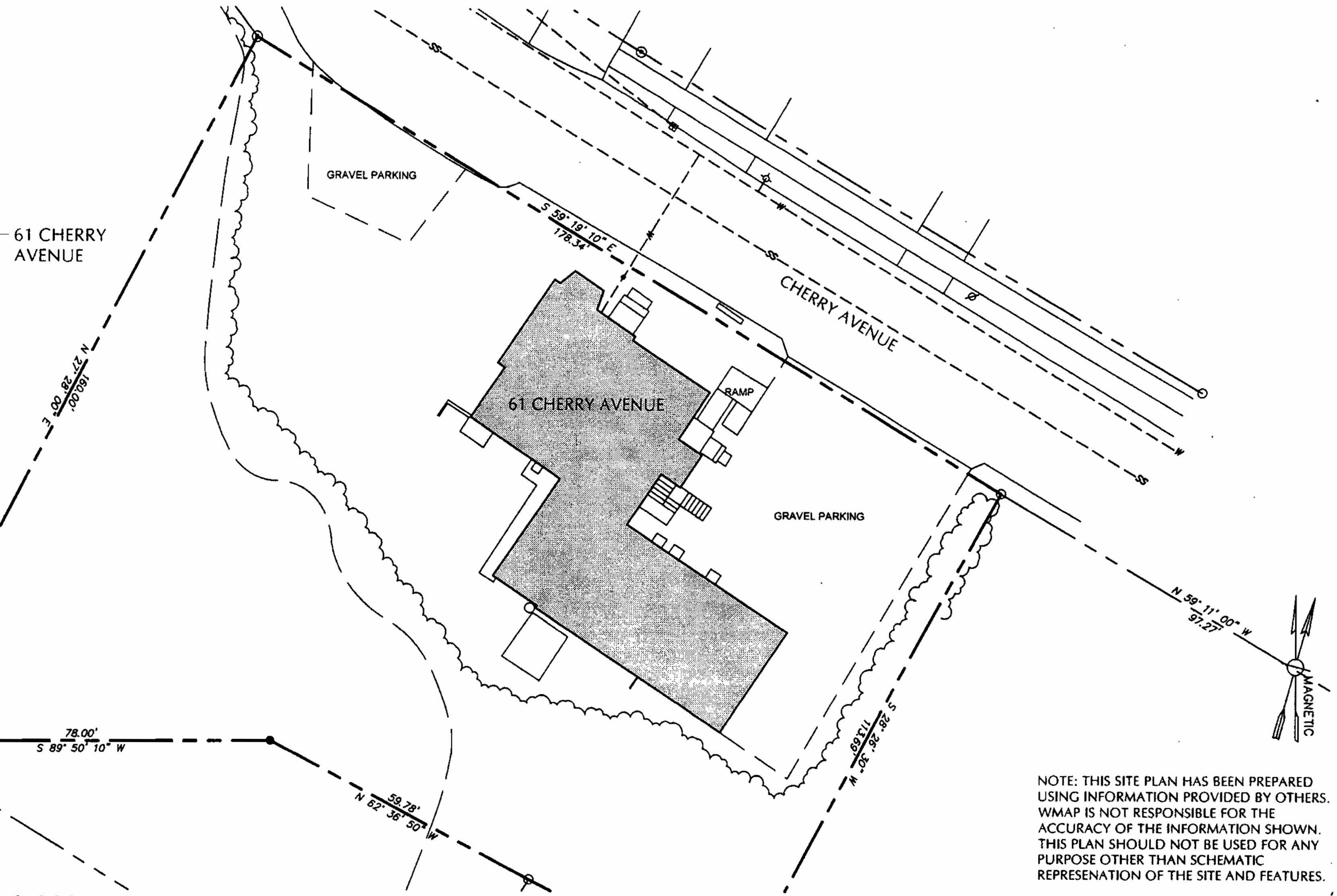
revision date: 8/6/2007

Google maps Address Morrisville





LOCATION MAP



NOTE: THIS SITE PLAN HAS BEEN PREPARED USING INFORMATION PROVIDED BY OTHERS. WMAP IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN. THIS PLAN SHOULD NOT BE USED FOR ANY PURPOSE OTHER THAN SCHEMATIC REPRESENATION OF THE SITE AND FEATURES.

0 10' 20' 40'

SITE PLAN

1" = 20'-0"

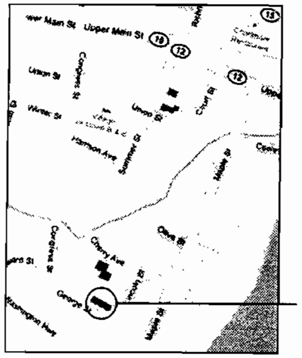
MORRISVILLE COMMUNITY HOUSING

WILLIAM MACLAY ARCHITECTS & PLANNERS

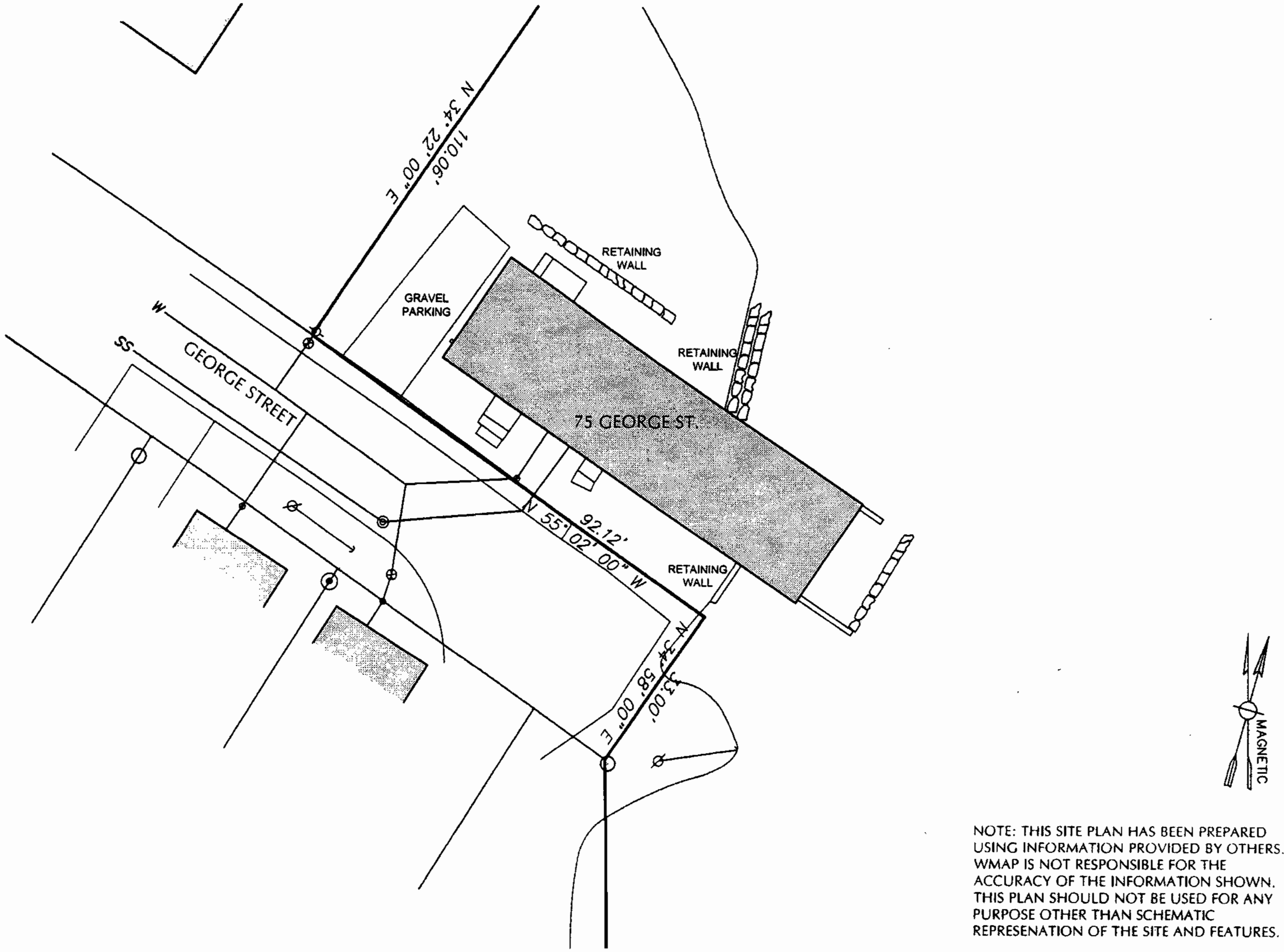
CHERRY AVENUE APARTMENTS 11.06.09

LAMOILLE HOUSING PARTNERSHIP AND HOUSING VERMONT

S3.0



LOCATION MAP



NOTE: THIS SITE PLAN HAS BEEN PREPARED USING INFORMATION PROVIDED BY OTHERS. WMAP IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN. THIS PLAN SHOULD NOT BE USED FOR ANY PURPOSE OTHER THAN SCHEMATIC REPRESENATION OF THE SITE AND FEATURES.

0 10' 20' 40'

SITE PLAN

1" = 20'-0"

MORRISVILLE COMMUNITY HOUSING

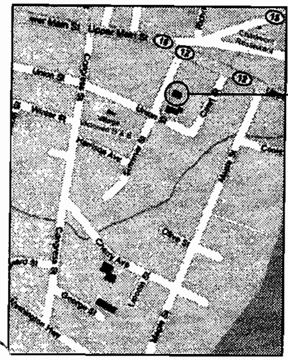
WILLIAM MACLAY ARCHITECTS & PLANNERS

GEORGE STREET APARTMENTS

11.06.09

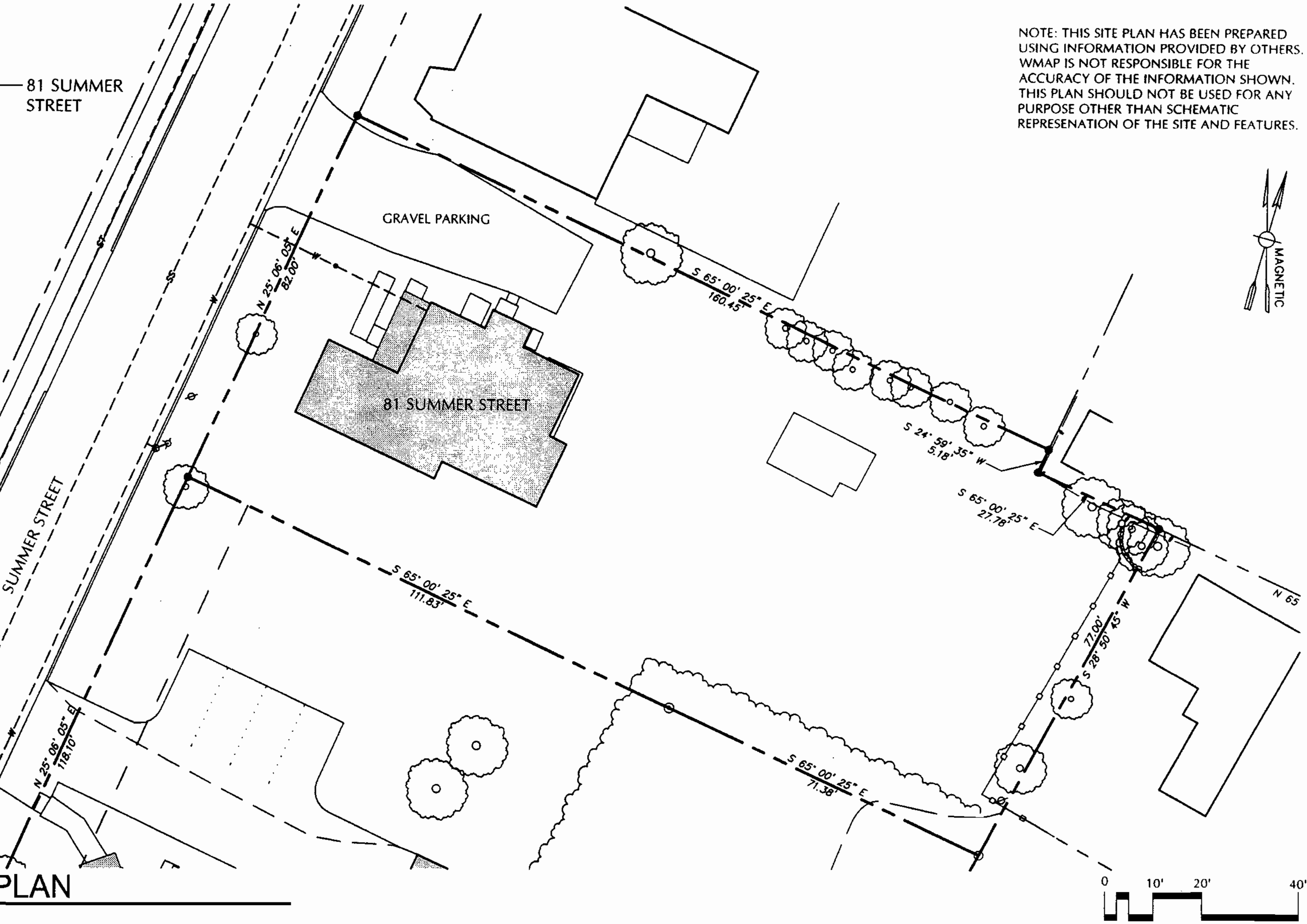
S4.0

LAMOILLE HOUSING PARTNERSHIP AND HOUSING VERMONT



LOCATION MAP

NOTE: THIS SITE PLAN HAS BEEN PREPARED USING INFORMATION PROVIDED BY OTHERS. WMAP IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN. THIS PLAN SHOULD NOT BE USED FOR ANY PURPOSE OTHER THAN SCHEMATIC REPRESENATION OF THE SITE AND FEATURES.



SITE PLAN

1" = 20'-0"

MORRISVILLE COMMUNITY HOUSING

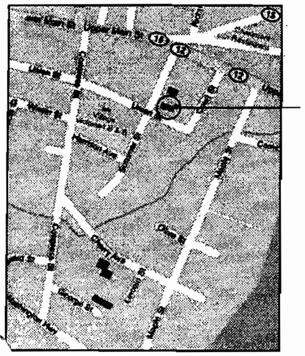
WILLIAM MACLAY ARCHITECTS & PLANNERS

81 SUMMER STREET APARTMENTS

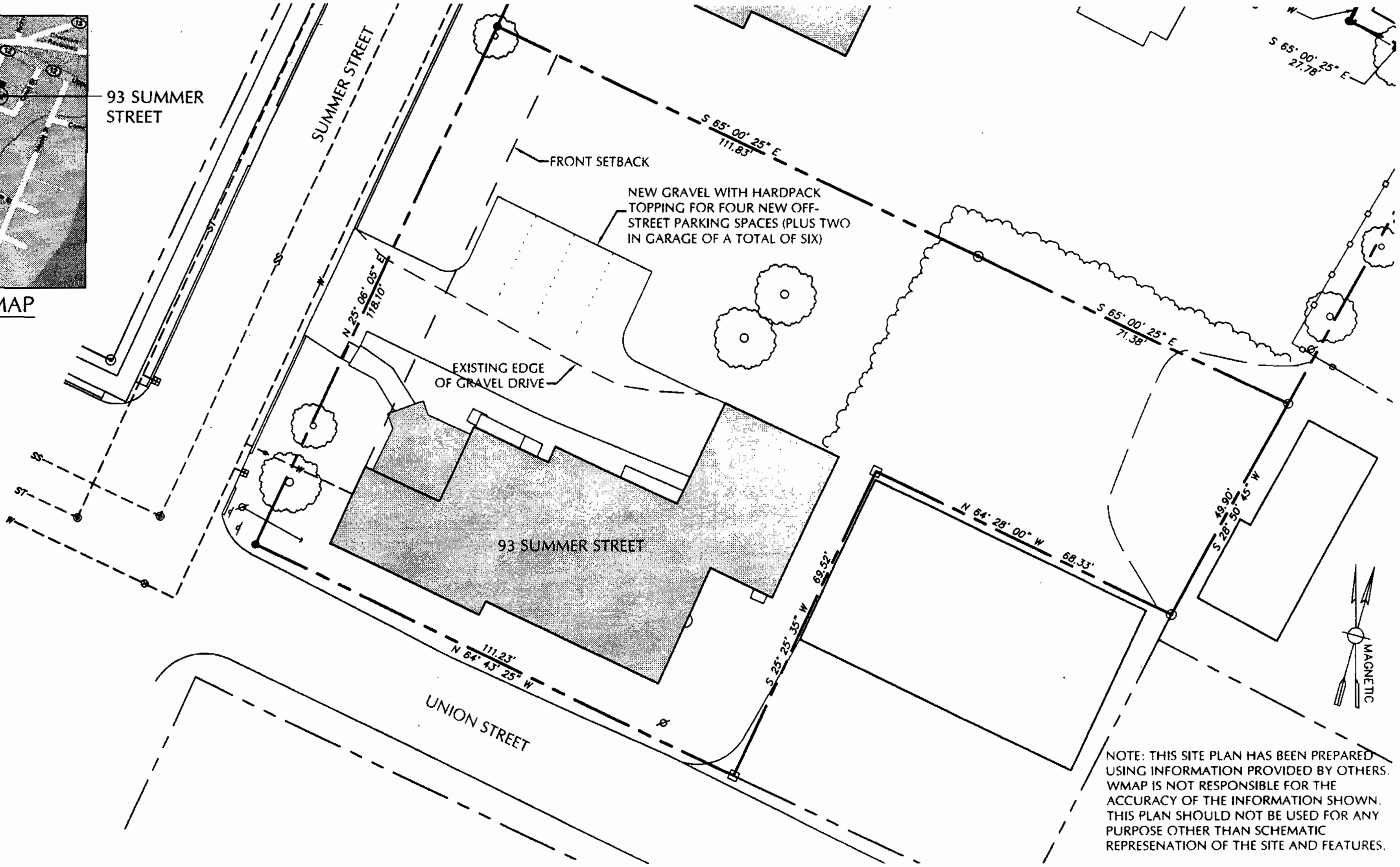
11.06.09

S1.0

LAMOILLE HOUSING PARTNERSHIP AND HOUSING VERMONT



LOCATION MAP



NOTE: THIS SITE PLAN HAS BEEN PREPARED USING INFORMATION PROVIDED BY OTHERS. WMAP IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN. THIS PLAN SHOULD NOT BE USED FOR ANY PURPOSE OTHER THAN SCHEMATIC REPRESENATION OF THE SITE AND FEATURES.

SITE PLAN

1" = 20'-0"

MORRISVILLE COMMUNITY HOUSING

WILLIAM MACLAY ARCHITECTS & PLANNERS

93 SUMMER STREET APARTMENTS

11.06.09

LAMOILLE HOUSING PARTNERSHIP AND HOUSING VERMONT

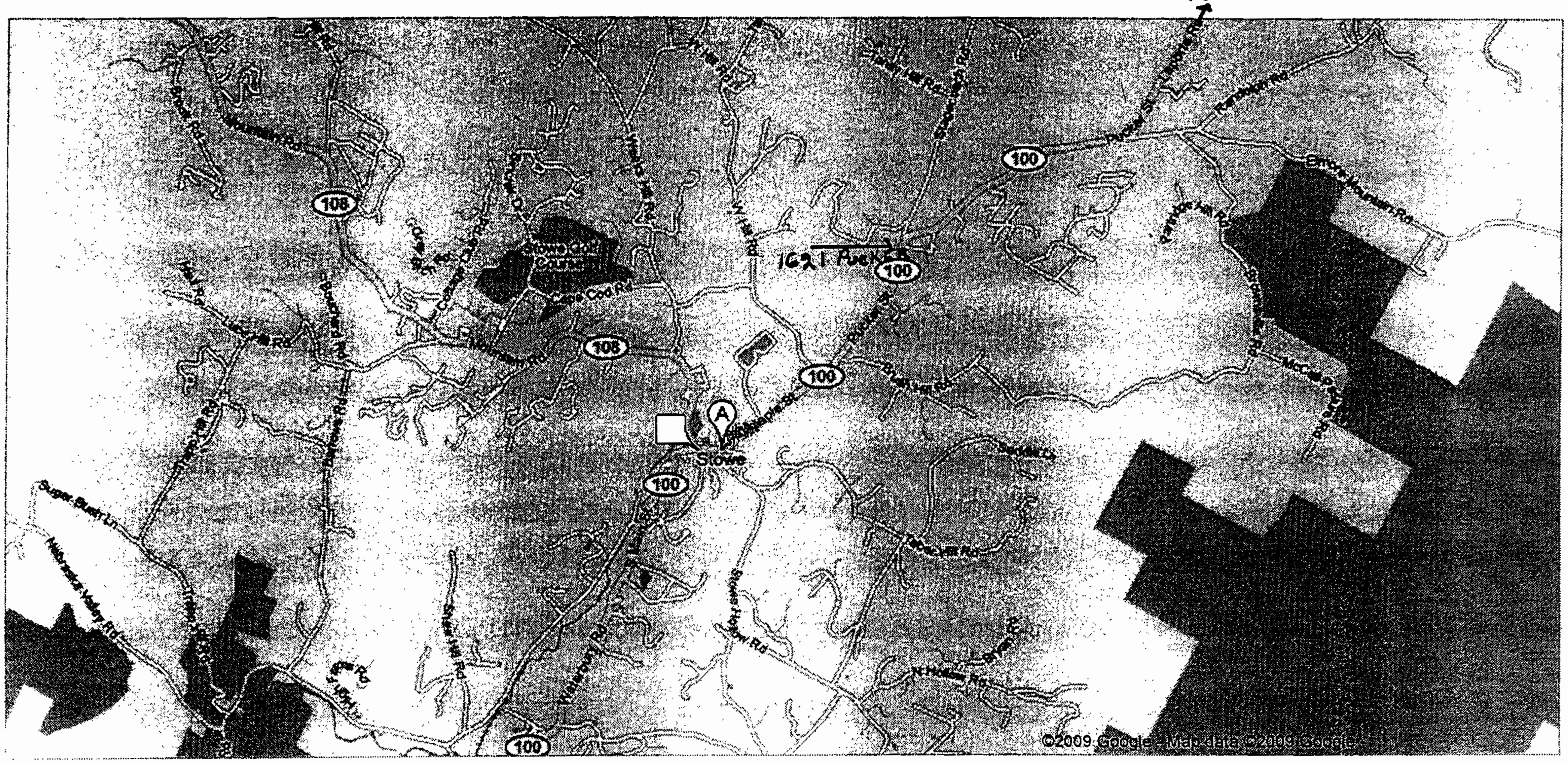
S2.0

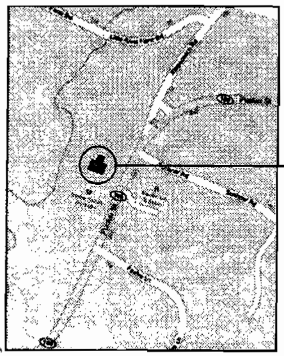
Stowe Vermont - Google Maps

Google maps

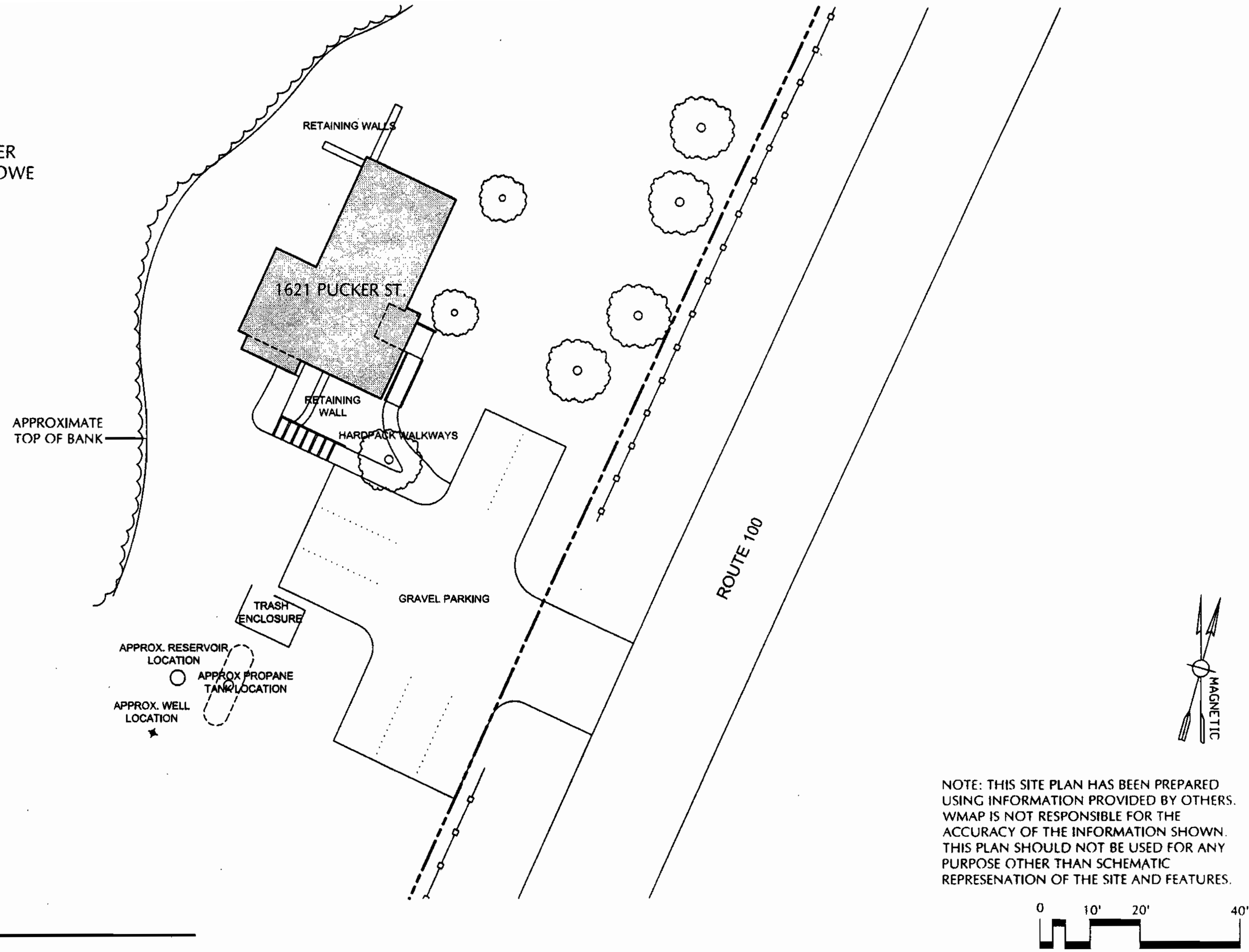
Address STOWE

TO MORRISVILLE





LOCATION MAP



NOTE: THIS SITE PLAN HAS BEEN PREPARED USING INFORMATION PROVIDED BY OTHERS. WMAP IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN. THIS PLAN SHOULD NOT BE USED FOR ANY PURPOSE OTHER THAN SCHEMATIC REPRESENATION OF THE SITE AND FEATURES.

SITE PLAN

1" = 20'-0"

MORRISVILLE COMMUNITY HOUSING

WILLIAM MACLAY ARCHITECTS & PLANNERS

LITTLE RIVER APARTMENTS

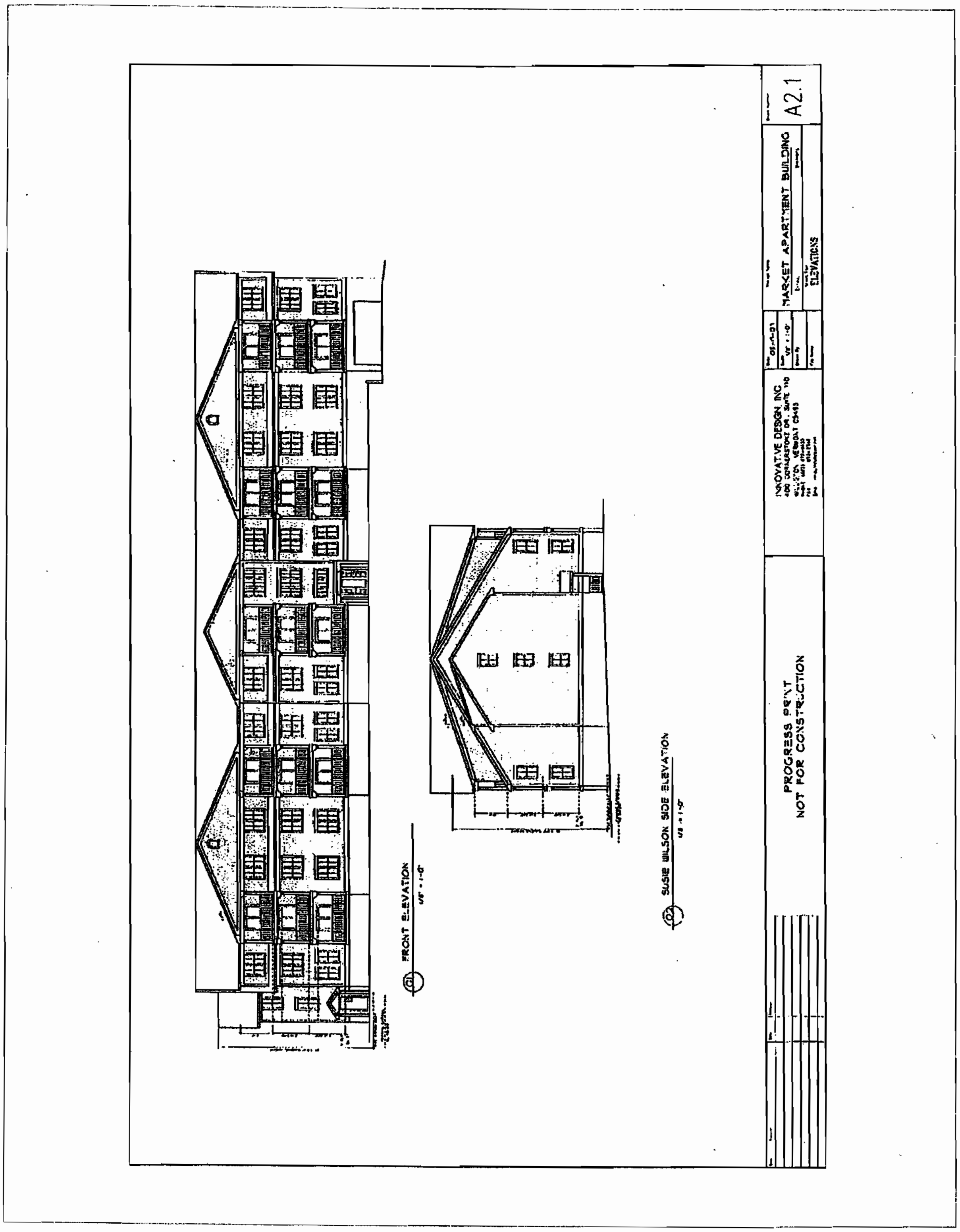
11.06.09

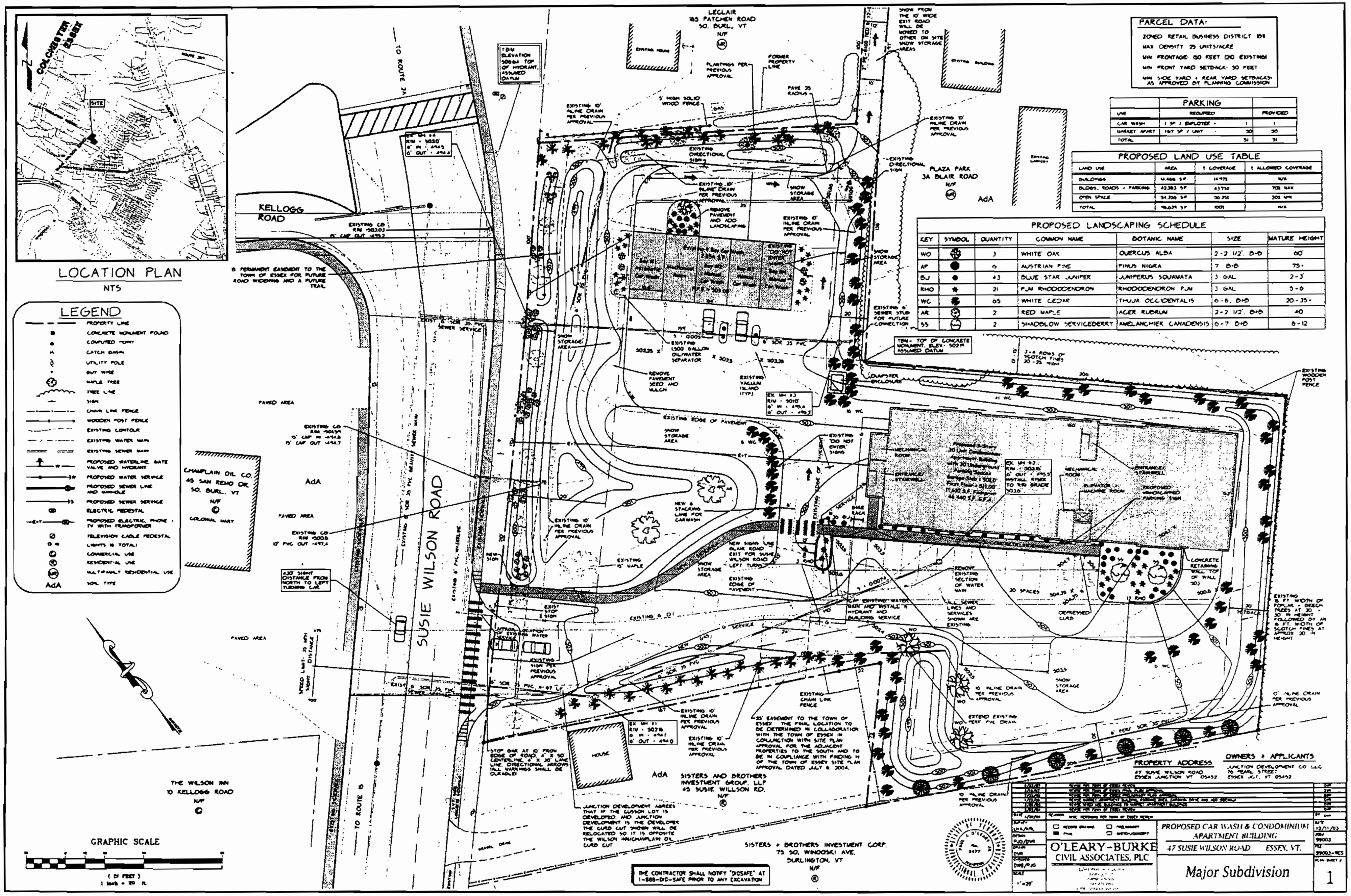
S5.0

LAMOILLE HOUSING PARTNERSHIP AND HOUSING VERMONT

16-Jun-10	**Newport Family Housing**				
Total Residential Units:	21	Increase in Income from Rental Units:		2.50%	
Housing Credit Restricted Units:	21	Increase in Income from Other Sources:		2.50%	
Percent Restricted:	100.00%	Increase in Income from Commercial:		0.00%	
Total Development Cost:	6,184,828	Expense increase:		3.00%	
Total Development Cost per Unit:	294,516	Vacancy Rate:		5%	
Total Development Cost Per SF:	275	Partner's Tax Rate:		35%	
Credit Election:	40/60	Long Depreciation Schedule:		27.5	years
Max Credit Potential:	431,273	Short Depreciation Schedule:		7	years
Credit Amount Allocated:	390,000	Sponsor's Estimated Yield:		80.09%	
LIHTC - 9%	9.00%	(June 2010)			
LIHTC - 4%	3.35%	(June 2010)			
SOURCES					
		% of Total Development Cost	Interest Rate	Amortization	Term
		0.00%	6.50%	30	20
RD 515	1,000,000	16.17%	1.00%	50	30
VHCB	200,386	3.24%	0.00%	30	deferred
HOME	215,000	3.48%	0.00%		deferred
VCDP	600,000	9.70%	0.00%		deferred
Existing VHCB	324,614	5.25%	0.00%		deferred
Existing VHCB interest	184,802	2.99%	0.00%		deferred
Existing HOME	234,943	3.80%	3.00%		deferred
Existing HOME interest	286,801	4.64%	N/A	N/A	
EVT/VCIL	15,000	0.24%			
Tax Credit Equity	3,123,282	50.50%	N/A	N/A	
TOTAL SOURCES	6,184,828	100.00%			
USES					
Acquisition	1,615,826	26.13%			
Construction Hard Costs	3,249,307	52.54%			
Soft Costs	1,319,695	21.34%			
TOTAL USES	6,184,828	100%			
Gap	0				
General Partner's Capital Contribution			1	0.01%	
Limited Partner's Capital Contribution			3,123,282	99.99%	
Total Equity			3,123,283		
APPLICABLE FRACTION CALCULATION					
		Tax Credit Restricted Units	21		
		Total Units	21		
		Unit Fraction	100.00%		
		Tax Credit Square Footage	19,557		
		Total Residential Square Footage	19,557		
		Square Footage Fraction	100.00%		
		Applicable Fraction	100.00%		

16-Jun-10	**Newport Family Housing**						
		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other
	ACQUISITION						
1	Land	221,374					
2	Purchase of Building(s)	1,254,452	1,129,007		1,129,007		
3	Demolition (without replacement)	130,000					
4	Property Appraisal	4,500	4,500		4,500		
5	Legal - Title and Recording	5,500	5,500		5,500		
	Subtotal - Acquisition	1,615,826					
	CONSTRUCTION HARD COSTS						
6	Rehabilitation	1,205,260		1,205,260	1,205,260		
7	New Building(s)	1,651,398		1,651,398	1,651,398		
8	Accessory Buildings	0		0			
9	Sitework	0		0			
10	Commercial Space Costs (if any)	0					
11	General Requirements	0		0			
12	Contractor Overhead	0		0			
13	Contractor Profit	0		0			
14	Construction Contingency	342,799		342,799	342,799		
15	Construction Management	0		0			
16	Construction Bond Fee	0		0			
17	Hazardous Materials Abatement	28,000		28,000	28,000		
18	Off-Site Improvements	0		0			
19	Furnishings, Fixtures, & Equipment	21,850		21,850	21,850		
20	Other (________________)	0		0			
	Subtotal - Hard Costs	3,249,307					
	SOFT COSTS						
21	Architectural	257,099		257,099	257,099		
22	Engineering	0		0	0		
23	Legal/Accounting	40,000		30,000	30,000		
24	Relocation	70,000		70,000	70,000		
25	Environmental Assessment	10,000		10,000	10,000		
26	Energy Assessment	0					
27	Permits/Fees	33,708		33,708	33,708		
28	Independent Market Study	3,250		3,250	3,250		
29	Construction Period Insurance	20,000		20,000	20,000		
30	Construction Interest	162,000		129,600	129,600		
31	Construction Loan Origination Fee	22,000		22,000	22,000		
32	Taxes During Construction	24,000		24,000	24,000		
33	Clerk of the Works	10,000					
34	Marketing	3,000					
35	Tax Credit Fees	27,500					
36	Soft Cost Contingency	10,000		9,000	9,000		
37	Permanent Loan Origination Fee	0					
38	Lender's Counsel's Fee	5,000					
39	Other (______________)	0					
	SYNDICATION COSTS						
40	Organizational (Partnership)	0					
41	Bridge Loan Fees and Expenses	0					
42	Syndication Consultant	0					
43	Tax Opinion	0					
	DEVELOPER'S FEES						
44	Developer's Fees	510,000		510,000	510,000		
45	Other Partnership Fees	0		0	0		
46	Consultant Fees	0		0	0		
	RESERVES						
47	Working Capital	10,000					
48	Rent-up (Deficit Escrow) Reserve	20,000					
49	Other Operating Reserves	82,138					
50	Sinking Fund	0					
51	Replacement Reserves	0					
	Subtotal - Soft Costs	1,319,695					
	TOTALS	6,184,828	1,139,007	4,367,964	5,485,121	0	
LESS:	Amount of Non-qualified Financing		0	0	0	0	
LESS:	Historic tax Credit (Residential Portion)			0	0	20%	Historic Credit Rate
	Total Eligible Basis		1,139,007	4,367,964		0	Annual Historic Credit
TIMES:	Adjusted for QCT/DDA	100.0%		4,367,964			
TIMES:	Applicable Fraction	100.00%	1,139,007	4,367,964			
	Total Qualified Basis		1,139,007	4,367,964	5,485,121	Long Term Depreciable Basis	
TIMES:	Applicable Percentage		3.35%	9.00%	27.5	Depreciation Schedule	
	Total Annual Credit Qualified		38,157	393,117	199,459	Annual Depreciation	
	Total Tax Credits Requested	390,000			21,850	Short Term Depreciable Basis	
	Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	3,123,282	$ 0.80		7	Depreciation Schedule	
	Estimated Yield - Housing Credit Syndication	80.09%			3,121	Annual Depreciation	
	Equity Gap	3,138,282					
	Credits Needed to fill Equity Gap	391,873					


FRONT ELEVATION
SUSIE WILSON SIDE ELEVATION
PROGRESS PRINT
NOT FOR CONSTRUCTION
INNOVATIVE DESIGN, INC
MARKET APARTMENT BUILDING
ELEVATIONS
A2.1



PARCEL DATA:

ZONED RETAIL BUSINESS DISTRICT (B)
MAX DENSITY 25 UNITS/ACRE
MIN FRONTAGE: 80 FEET (120 EXISTING)
MIN FRONT YARD SETBACK: 50 FEET
MIN SIDE YARD + REAR YARD SETBACKS: AS APPROVED BY PLANNING COMMISSION

PARKING

USE	REQUIRED		PROVIDED
CAR WASH	1 SP / EMPLOYEE	1	1
MARKET APART	1.67 SP / UNIT	50	50
TOTAL		51	51

PROPOSED LAND USE TABLE

LAND USE	AREA	% COVERAGE	% ALLOWED COVERAGE
BUILDINGS	14,466 SF	14.97%	N/A
BLDGS., ROADS + PARKING	42,283 SF	43.75%	70% MAX
OPEN SPACE	54,350 SF	56.25%	30% MIN
TOTAL	96,633 SF	100%	N/A

PROPOSED LANDSCAPING SCHEDULE

KEY	SYMBOL	QUANTITY	COMMON NAME	BOTANIC NAME	SIZE	MATURE HEIGHT
WO		3	WHITE OAK	QUERCUS ALBA	2-2 1/2", B+B	60'
AP		6	AUSTRIAN PINE	PINUS NIGRA	7' B+B	75'+
BJ		43	BLUE STAR JUNIPER	JUNIPERUS SQUAMATA	3 GAL.	2-3'
RHO		21	PJM RHODODENDRON	RHODODENDRON PJM	3 GAL.	5-6'
WC		65	WHITE CEDAR	THUJA OCCIDENTALIS	6-8', B+B	20-35'+
AR		2	RED MAPLE	ACER RUBRUM	2-2 1/2", B+B	40'
SS		2	SHADBLOW SERVICEBERRY	AMELANCHIER CANADENSIS	6-7' B+B	8-12'

TBM - TOP OF CONCRETE MONUMENT, ELEV. 502.11 ASSUMED DATUM

PROPERTY ADDRESS
47 SUSIE WILSON ROAD
ESSEX JUNCTION VT 05452

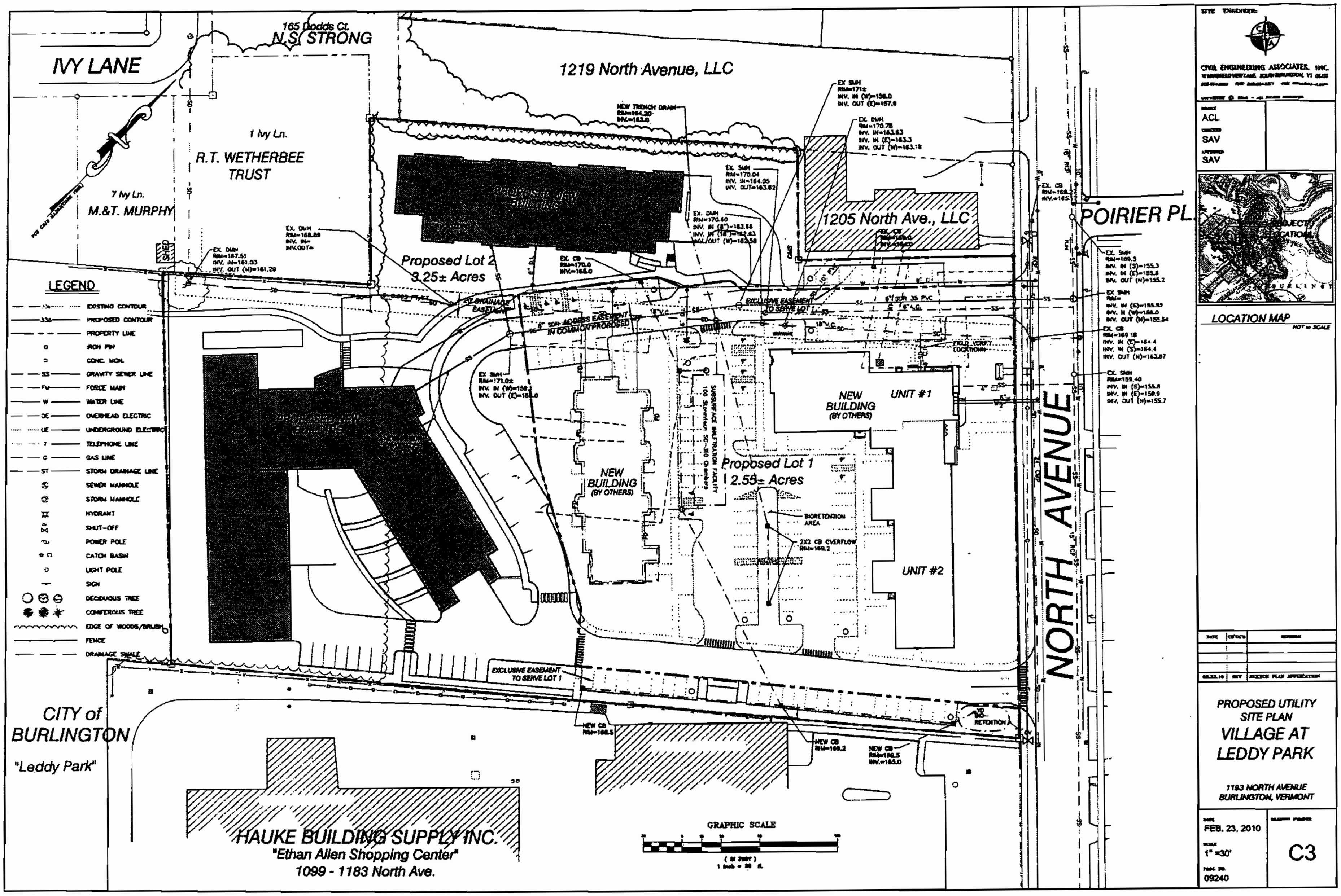
OWNERS + APPLICANTS
JUNCTION DEVELOPMENT CO LLC
70 PEARL STREET
ESSEX JCT., VT 05452

O'LEARY-BURKE CIVIL ASSOCIATES, PLC

PROPOSED CAR WASH & CONDOMINIUM APARTMENT BUILDING
47 SUSIE WILSON ROAD ESSEX, VT.

Major Subdivision

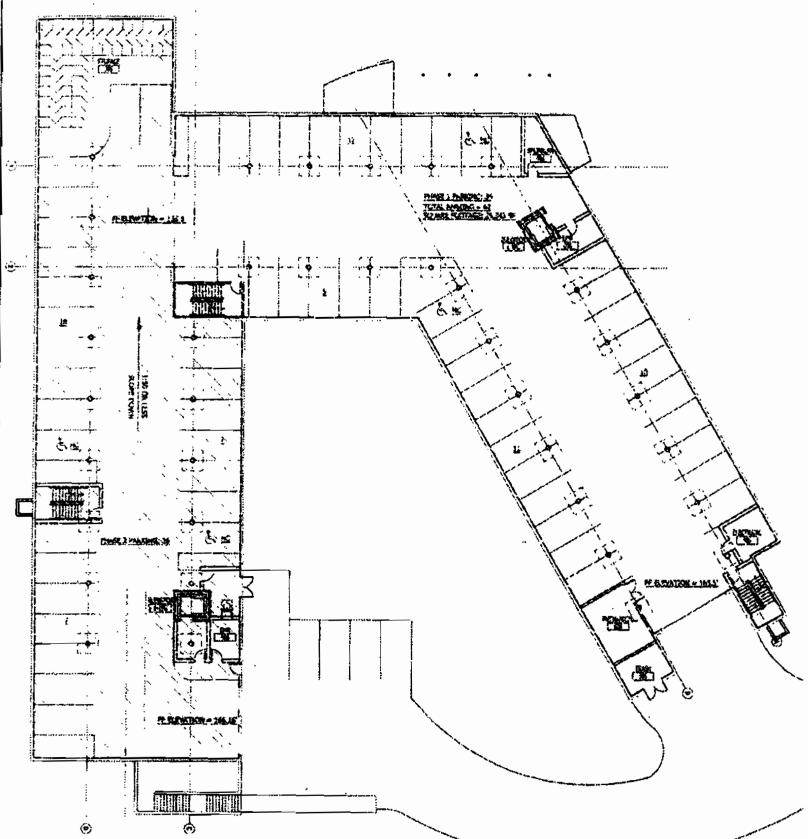
DATE 12/11/03
SCALE 1" = 20'
DESIGN PJO/DVR
DRAWN DVR
CHECKED DMB/PJO
JOB 99003
FILE 99003-MES
PLAN SHEET # 1


IVY LANE
165 Dodds Ct.
N.S. STRONG
1219 North Avenue, LLC
1 Ivy Ln.
R.T. WETHERBEE
TRUST
7 Ivy Ln.
M.&T. MURPHY
1205 North Ave., LLC
POIRIER PL.
Proposed Lot 2
3.25± Acres
Proposed Lot 1
2.55± Acres
NEW
BUILDING
(BY OTHERS)
UNIT #1
UNIT #2
NORTH AVENUE
EXCLUSIVE EASEMENT
TO SERVE LOT 1
BIORETENTION
AREA
LEGEND
EXISTING CONTOUR
PROPOSED CONTOUR
PROPERTY LINE
IRON PIN
CONC. MON.
GRAVITY SEWER LINE
FORCE MAIN
WATER LINE
OVERHEAD ELECTRIC
UNDERGROUND ELECTRIC
TELEPHONE LINE
GAS LINE
STORM DRAINAGE LINE
SEWER MANHOLE
STORM MANHOLE
HYDRANT
SHUT-OFF
POWER POLE
CATCH BASIN
LIGHT POLE
SIGN
DECIDUOUS TREE
CONIFEROUS TREE
EDGE OF WOODS/BRUSH
FENCE
DRAINAGE SWALE
CITY of
BURLINGTON
"Leddy Park"
HAUKE BUILDING SUPPLY INC.
"Ethan Allen Shopping Center"
1099 - 1183 North Ave.
GRAPHIC SCALE
LOCATION MAP
CIVIL ENGINEERING ASSOCIATES, INC.
ACL
SAV
SAV
PROPOSED UTILITY
SITE PLAN
VILLAGE AT
LEDDY PARK
1193 NORTH AVENUE
BURLINGTON, VERMONT
FEB. 23, 2010
1" =30'
09240
C3

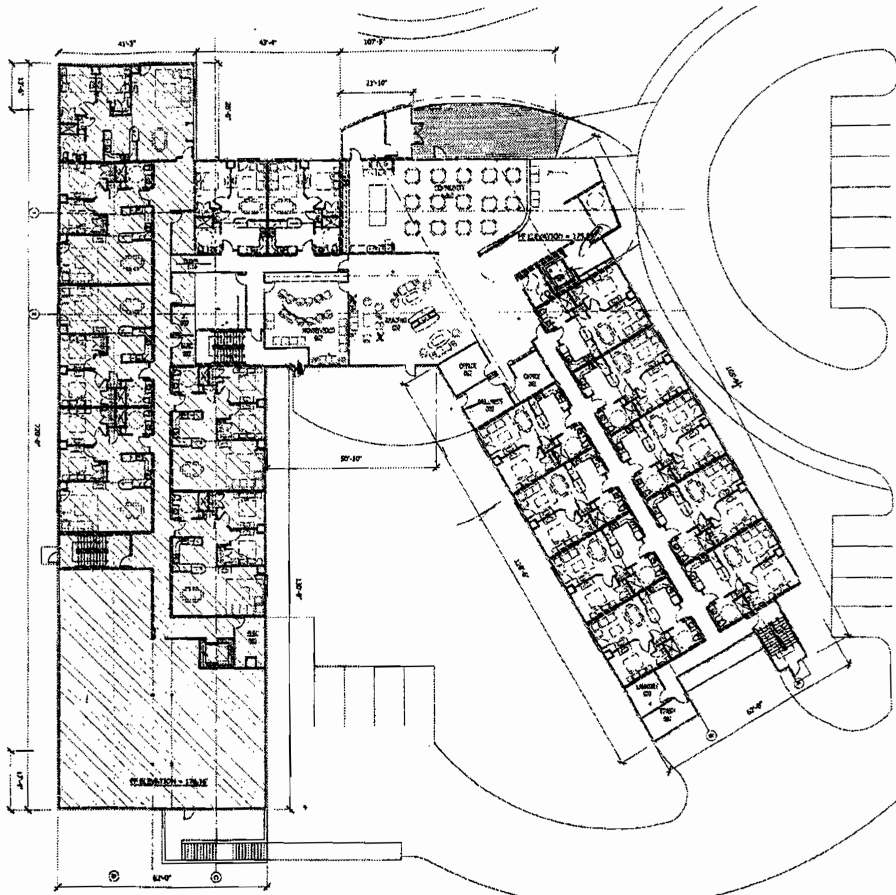
APARTMENT QUANTITY:
PHASE 1 = 38
PHASE 2 = 22
TOTAL = 60

PHASE 1

PHASE 2



1 PARKING GARAGE PLAN
SCALE: 1/16" = 1'-0"



2 FIRST FLOOR PLAN
SCALE: 1/16" = 1'-0"

architecture planning interiors
20 main street essex junction vermont 05452
p. 802/878-9853 f. 802/872-2764

project: VILLAGE AT LEDDY PARK
1180 NORTH AVENUE, BURLINGTON, VERMONT

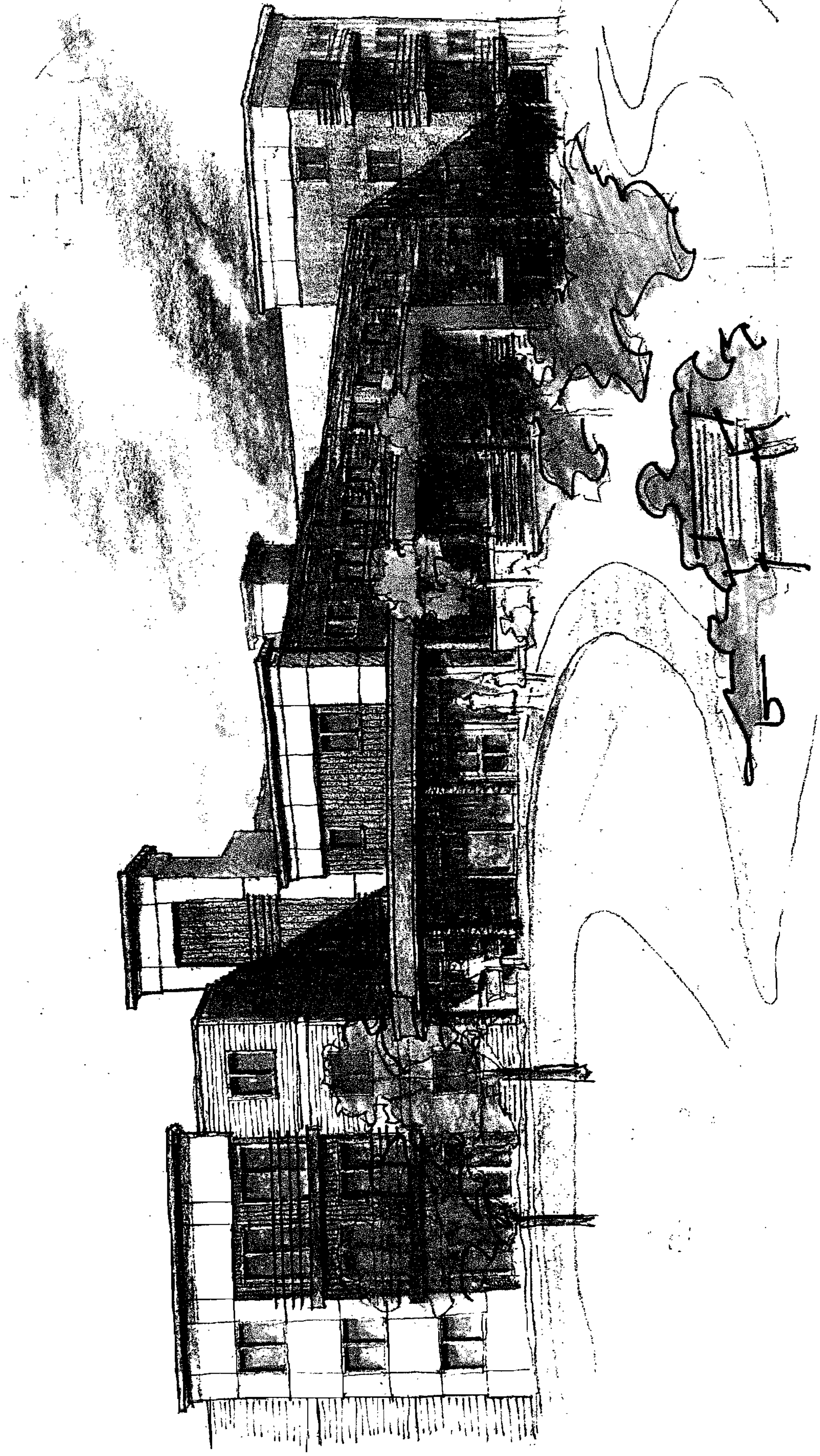
drwg. title: SENIOR HOUSING
DESIGN DEVELOPMENT PROGRESS SET

scale: AS NOTED
project no. 08-768
checked by:
drawn by:
date: 12/31/09
file name:

date	revisions
1/18/10	00
1/21/10	00
1/29/10	00

sheet title: PG + FIRST FLOOR PLAN

sheet no. A2.1



[illegible]

Village at Leddy Park

Year	1	2	3	4	5	6	7	[illegible]	9	10	11	12	13	14	15	16	17	[illegible]	19	20
Operating Income																				
Gross Rent	339,600	346,392	353,320	360,386	367,594	374,946	382,445	390,094	397,896	405,853	413,971	422,250	430,695	439,309	448,095	457,057	466,198	475,522	485,032	494,733
Other Income	3,300	3,350	3,400	3,451	3,502	3,555	3,608	3,662	3,717	3,773	3,830	3,887	3,946	4,005	4,065	4,126	4,188	4,250	4,314	4,379
Vacancy and other losses	(13,584)	(13,856)	(14,133)	(14,415)	(14,704)	(14,998)	(15,298)	(15,604)	(15,916)	(16,234)	(16,559)	(16,890)	(17,228)	(17,572)	(17,924)	(18,282)	(18,648)	(19,021)	(19,401)	(19,789)
Total Operating Income	329,316	335,886	342,587	349,422	356,393	363,503	370,755	378,152	385,697	393,392	401,241	409,247	417,413	425,741	434,236	442,900	451,738	460,752	469,945	479,323
Operating Expenses																				
Total Expenses (excl. Reserves)	291,784	299,079	306,556	314,219	322,075	330,127	338,380	346,839	355,510	364,398	373,508	382,846	392,417	402,227	412,283	422,590	433,155	443,984	455,083	466,461
Reserves	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600
Sub-Total Operating Expense	314,384	321,679	329,156	336,819	344,675	352,727	360,980	369,439	378,110	386,998	396,108	405,446	415,017	424,827	434,883	445,190	455,755	466,584	477,683	489,061
GP services fee	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	0	0	0	0	0
Total Operating Expense	318,884	326,179	333,656	341,319	349,175	357,227	365,480	373,939	382,610	391,498	400,608	409,946	419,517	429,327	439,383	445,190	455,755	466,584	477,683	489,061
Net Operating Income	10,432	9,707	8,931	8,102	7,218	6,276	5,275	4,213	3,087	1,894	633	(699)	(2,104)	(3,586)	(5,147)	(2,290)	(4,017)	(5,832)	(7,738)	(9,738)
Less Primary Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow	10,432	9,707	8,931	8,102	7,218	6,276	5,275	4,213	3,087	1,894	633	(699)	(2,104)	(3,586)	(5,147)	(2,290)	(4,017)	(5,832)	(7,738)	(9,738)
																2,290	4,017	5,832	7,738	9,738
Net Cash	10,432	9,707	8,931	8,102	7,218	6,276	5,275	4,213	3,087	1,894	633	(699)	(2,104)	(3,586)	(5,147)	0	0	0	0	0
DCR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																				
Beginning Balance	120,000	131,632	142,656	153,013	162,646	171,490	179,481	186,551	192,629	197,642	201,513	204,161	205,504	205,455	203,923	200,815	200,534	198,522	194,675	188,883
Deposits	10,432	9,707	8,931	8,102	7,218	6,276	5,275	4,213	3,087	1,894	633	(699)	(2,104)	(3,586)	(5,147)	0	0	0	0	0
Interest 2.0%	1,200	1,316	1,427	1,530	1,626	1,715	1,795	1,866	1,926	1,976	2,015	2,042	2,055	2,055	2,039	2,008	2,005	1,985	1,947	1,889
Withdrawals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,290)	(4,017)	(5,832)	(7,738)	(9,738)
Ending Balance	131,632	142,656	153,013	162,646	171,490	179,481	186,551	192,629	197,642	201,513	204,161	205,504	205,455	203,923	200,815	200,534	198,522	194,675	188,883	181,034
Cumulative Replacement Reserves																				
Beginning Balance		22,826	45,654	68,711	91,998	107,818	121,696	144,013	168,053	172,734	120,061	133,362	146,795	150,163	76,165	77,226	89,999	102,899	115,928	84,287
Deposits	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600
Interest 2.0%	226	228	457	687	920	1,078	1,217	1,440	1,681	1,727	1,201	1,334	1,468	1,502	762	772	900	1,029	1,159	843
Withdrawals	0	0	0	0	(7,700)	(9,800)	(1,500)	0	(19,600)	(77,000)	(10,500)	(10,500)	(20,700)	(98,100)	(22,300)	(10,600)	(10,600)	(10,600)	(55,400)	(98,500)
Ending Balance	22,826	45,654	68,711	91,998	107,818	121,696	144,013	168,053	172,734	120,061	133,362	146,795	150,163	76,165	77,226	89,999	102,899	115,928	84,287	9,230

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income	10,432	9,707	8,931	8,102	7,218	6,276	5,275	4,213	3,087	1,894	633	(699)	(2,104)	(3,586)	(5,147)
Plus Reserves	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600	22,600
Less Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)	(259,617)
Less Short Depreciation	(21,200)	(21,200)	(21,200)	(21,200)	(21,200)	(21,200)	(21,200)	0	0	0	0	0	0	0	0
Taxable Income (Loss)	(247,785)	(248,509)	(249,285)	(250,115)	(250,999)	(251,940)	(252,941)	(232,804)	(233,930)	(235,122)	(236,383)	(237,715)	(239,121)	(240,603)	(242,164)
Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings	86,725	86,978	87,250	87,540	87,850	88,179	88,529	81,481	81,876	82,293	82,734	83,200	83,692	84,211	84,757
Plus Tax Credits	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0				
After Tax Cash Flow	586,725	586,978	587,250	587,540	587,850	588,179	588,529	581,481	581,876	582,293	82,734	83,200	83,692	84,211	84,757

04-Jun-10 **Town Meadow**

Total Residential Units:	49	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	44	Increase in Income from Other Sources:	1.50%
Percent Restricted:	89.80%	Increase in Income from Commercial:	0.00%
Total Development Cost:	7,086,201	Expense increase:	3.00%
Total Development Cost per Unit:	144,616	Vacancy Rate:	5%
Total Development Cost Per SF:	140	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	547,815	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	547,815	Sponsor's Estimated Yield:	75.08%
LIHTC - 9%	9.00%	(June 2010)	
LIHTC - 4%	3.35%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	3,140,000	44.31%	6.00%	30	20
Second Mortgage	0	0.00%	5.37%	30	20
Town Meadow LLC Land Equity	1,189,569	16.79%	5.37%	deferred	20
TCAP	0	0.00%	0%		
Tax Credit Equity	2,756,633	38.90%	N/A	N/A	
TOTAL SOURCES	7,086,202	100.00%			

USES

Acquisition	1,500,000	21.17%
Construction Hard Costs	4,704,593	66.39%
Soft Costs	881,608	12.44%
TOTAL USES	7,086,201	100.00%
Gap	(0)	

General Partner's Capital Contribution	4,113	0.10%
Limited Partner's Capital Contribution	4,108,613	99.90%
Total Equity	4,112,725	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	44
Total Units	49
Unit Fraction	89.80%
Tax Credit Square Footage	35,304
Total Residential Square Footage	38,509
Square Footage Fraction	91.68%
Applicable Fraction	89.80%

04-Jun-10	**Town Meadow**										
							Allocation of Sources				
		Budget	Per Unit	Per s.f.	VHCB Terms:	HOME Terms:	VCDP Terms:	Debt Terms: 20/30 @6%	Equity Terms:	Other Terms: 20/defered @5.37%	TOTAL SOURCES
	ACQUISITION										
1	Land	1,500,000	30,612	29.58				1,500,000			1,500,000
2	Purchase of Building(s)		0	0.00							0
3	Demolition (without replacement)		0	0.00							0
4	Property Appraisal		0	0.00							0
5	Legal - Title and Recording		0	0.00							0
	Subtotal - Acquisition	1,500,000	30,612	29.58							
	CONSTRUCTION HARD COSTS										
6	Rehabilitation		0	0.00							0
7	New Building(s)	4,006,593	81,767	79.01				1,249,959	2,756,634		4,006,593
8	Accessory Buildings		0	0.00							0
9	Sitework	400,000	8,163	7.89				390,041		9,959	400,000
10	Commercial Space Costs (if any)		0	0.00							0
11	General Requirements		0	0.00	in Construction						0
12	Contractor Overhead		0	0.00	in Construction						0
13	Contractor Profit		0	0.00	in Construction						0
14	Construction Contingency	200,000	4,082	3.94						200,000	200,000
15	Construction Management		0	0.00							0
16	Construction Bond Fee		0	0.00							0
17	Hazardous Materials Abatement		0	0.00							0
18	Off-Site Improvements		0	0.00							0
19	Furnishings, Fixtures, & Equipment	98,000	2,000	1.93						98,000	98,000
20	Other ( )		0	0.00							0
	Subtotal - Hard Costs	4,704,593	96,012	92.78							
	SOFT COSTS										
21	Architectural	40,000	816	0.79						40,000	40,000
22	Engineering - in owner's equity		0	0.00							0
23	Legal/Accounting	10,000	204	0.20						10,000	10,000
24	Relocation		0	0.00							0
25	Environmental Assessment		0	0.00	in land acquisition						0
26	Energy Assessment		0	0.00							0
27	Permits/Fees	150,000	3,061	2.96						150,000	150,000
28	Independent Market Study - in owner equity		0	0.00							0
29	Construction Period Insurance	50,000	1,020	0.99						50,000	50,000
30	Construction Interest	63,302	1,292	1.25	Const Loan at 3.36%, 12 months, at 60% spend out					63,302	63,302
31	Construction Loan Origination Fee	31,400	641	0.62	1% 0f Construction Loan					31,400	31,400
32	Taxes During Construction	20,000	408	0.39	land @ $1.73 per hundred					20,000	20,000
33	Clerk of the Works		0	0.00							0
34	Marketing	30,000	612	0.59						30,000	30,000
35	Tax Credit Fees	14,950	305	0.29	4% of annual tax credit +250					14,952	14,952
36	Soft Cost Contingency	20,000	408	0.39						20,000	20,000
37	Permanent Loan Origination Fee	31,400	641	0.62	1% of Loan					31,400	31,400
38	Lender's Counsel's Fee	10,000	204	0.20						10,000	10,000
39	Other		0	0.00							0
	SYNDICATION COSTS										
40	Organizational (Partnership)	10,000	204	0.20						10,000	10,000
41	Bridge Loan Fees and Expenses	83,140	1,697	1.64	T C Equity at 3.36%,12 months at 60% spend out + 1% Fee					83,140	83,140
42	Syndication Consultant	68,916	1,406	1.36	2.5% of Tax Credits					68,916	68,916
43	Tax Opinion	10,000	204	0.20						10,000	10,000
	DEVELOPER'S FEES										
44	Developer's Fees		0	0.00	0.0%	of TDC					0
45	Other Partnership Fees		0	0.00							0
46	Consultant Fees	100,000	2,041	1.97	1.41%	of TDC				100,000	100,000
	RESERVES										
47	Working Capital	38,500	786	0.76						38,500	38,500
48	Rent-up (Deficit Escrow) Reserve	100,000	2,041	1.97						100,000	100,000
49	Other Operating Reserves	0		0.00							0
50	Sinking Fund	0	0	0.00							0
51	Replacement Reserves		0	0.00	none initialy, monthly contribution in expenses						0
	Subtotal - Soft Costs	881,608	17,992	17.39							
	TOTAL DEVELOPMENT COSTS	7,086,201	144,616	140	0	0	0	3,140,000	2,756,634	1,189,569	7,086,203
	Cost Basis For Fee	6,778,785									
	Developer's Fee	168,916									
	Developer's Fee %	2.49%									

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other
	ACQUISITION						
1	Land	1,500,000					
2	Purchase of Building(s)	0					
3	Demolition (without replacement)	0					
4	Property Appraisal	0					
5	Legal - Title and Recording	0					
	Subtotal - Acquisition	1,500,000					
	CONSTRUCTION HARD COSTS						
6	Rehabilitation	0					
7	New Building(s)	4,006,593		4,006,593	4,006,593		
8	Accessory Buildings	0					
9	Sitework	400,000		400,000	400,000		
10	Commercial Space Costs (if any)	0					
11	General Requirements	0		0	0		
12	Contractor Overhead	0		0	0		
13	Contractor Profit	0		0	0		
14	Construction Contingency	200,000		200,000	200,000		
15	Construction Management	0		0	0		
16	Construction Bond Fee	0		0	0		
17	Hazardous Materials Abatement	0		0	0		
18	Off-Site Improvements	0		0	0		
19	Furnishings, Fixtures, & Equipment	98,000		98,000	50,000		
20	Other (________________)	0					
	Subtotal - Hard Costs	4,704,593					
	SOFT COSTS						
21	Architectural	40,000		40,000	40,000		
22	Engineering - in owner's equity	0		0	0		
23	Legal/Accounting	10,000		10,000	10,000		
24	Relocation	0		0	0		
25	Environmental Assessment	0		0	0		
26	Energy Assessment	0		0	0		
27	Permits/Fees	150,000		150,000	150,000		
28	Independent Market Study - in owner equity	0		0	0		
29	Construction Period Insurance	50,000		50,000	50,000		
30	Construction Interest	63,302		63,302	63,302		
31	Construction Loan Origination Fee	31,400		31,400	31,400		
32	Taxes During Construction	20,000		20,000	20,000		
33	Clerk of the Works	0		0	0		
34	Marketing	30,000					
35	Tax Credit Fees	14,950		14,950	14,950		
36	Soft Cost Contingency	20,000		20,000	20,000		
37	Permanent Loan Origination Fee	31,400					
38	Lender's Counsel's Fee	10,000		10,000	10,000		
39	Other	0		0	0		
	SYNDICATION COSTS						
40	Organizational (Partnership)	10,000					
41	Bridge Loan Fees and Expenses	83,140					
42	Syndication Consultant	68,916					
43	Tax Opinion	10,000					
	DEVELOPER'S FEES						
44	Developer's Fees	0		0	0		
45	Other Partnership Fees	0		0	0		
46	Consultant Fees	100,000		100,000	100,000		
	RESERVES						
47	Working Capital	38,500					
48	Rent-up (Deficit Escrow) Reserve	100,000					
49	Other Operating Reserves	0					
50	Sinking Fund	0					
51	Replacement Reserves	0					
	Subtotal - Soft Costs	881,608					
	TOTALS	7,086,201	0	5,214,245	5,116,245	0	
	LESS: Amount of Non-qualified Financing						
	LESS: Adjustment for per unit cost limits						
	LESS: Historic tax credit (Residential Portion)			0	0		
	Total Eligible Basis		0	5,214,245			
	TIMES: Adjusted for QCT/DDA	100.00%		5,214,245			
	TIMES: Applicable Fraction	89.80%	0	4,682,180			
	Total Qualified Basis		0	4,682,180			
	TIMES: Applicable Percentage		3.35%	9.00%			
	Total Annual Credit Qualified		0	421,396			

20% Historic Credit Rate
0 Annual Historic Credit

5,116,245	Long Term Depreciable Basis
27.5	Depreciation Schedule
186,045	Annual Depreciation
50,000	Short Term Depreciable Basis
7	Depreciation Schedule
7,143	Annual Depreciation

Total Tax Credits Requested	367,551
Estimated Net Syndication Proceeds **(excluding historic credit equity)**	2,756,633
Estimated Yield - Housing Credit Syndication	75.08%
Equity Gap	2,756,632
Credits Needed to fill Equity Gap	367,551

tax credit yield $ 0.75 on the dollar

04-Jun-10 **Town Meadow**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent	
0 Br						0	
1 Br	60% median	641	19	748		170,544	90% of 2010 Tax Credit Rents
2 Br	60% median	925	25	898		269,400	90% of 2010 Tax Credit Rents
3Br	60% median	1,100	0	1,037		0	90% of 2010 Tax Credit Rents
						0	
	Totals	35,304	44			439,944	

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br						0
1 Br		641	5	950		57,000
2 Br		925	0	1,100		0
3 Br		1,100	0	0		0
4+ Br			0	0		0
	Totals	3,205	5			57,000
All Units		38,509				
Common Area Square Footage		12,200				
	Grand Totals	50,709	49			496,944

Less Vacancy	5.00%	(24,847)
	NET RENT	472,097

OTHER INCOME

Laundry	8,000
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	480,097

04-Jun-10

Town Meadow

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
	units 1-19				X			X		1	641	748	0	748			X						X			
	units 20-44				X			X		2	925	898	0	898			X						X			
	units 45-49							X	X	1	641	950	0	950					X							X
Total # Units	49									Totals:	38,509	41,412		Total # Units:	0	0	44	0	5	0	0	0	44	0	0	5

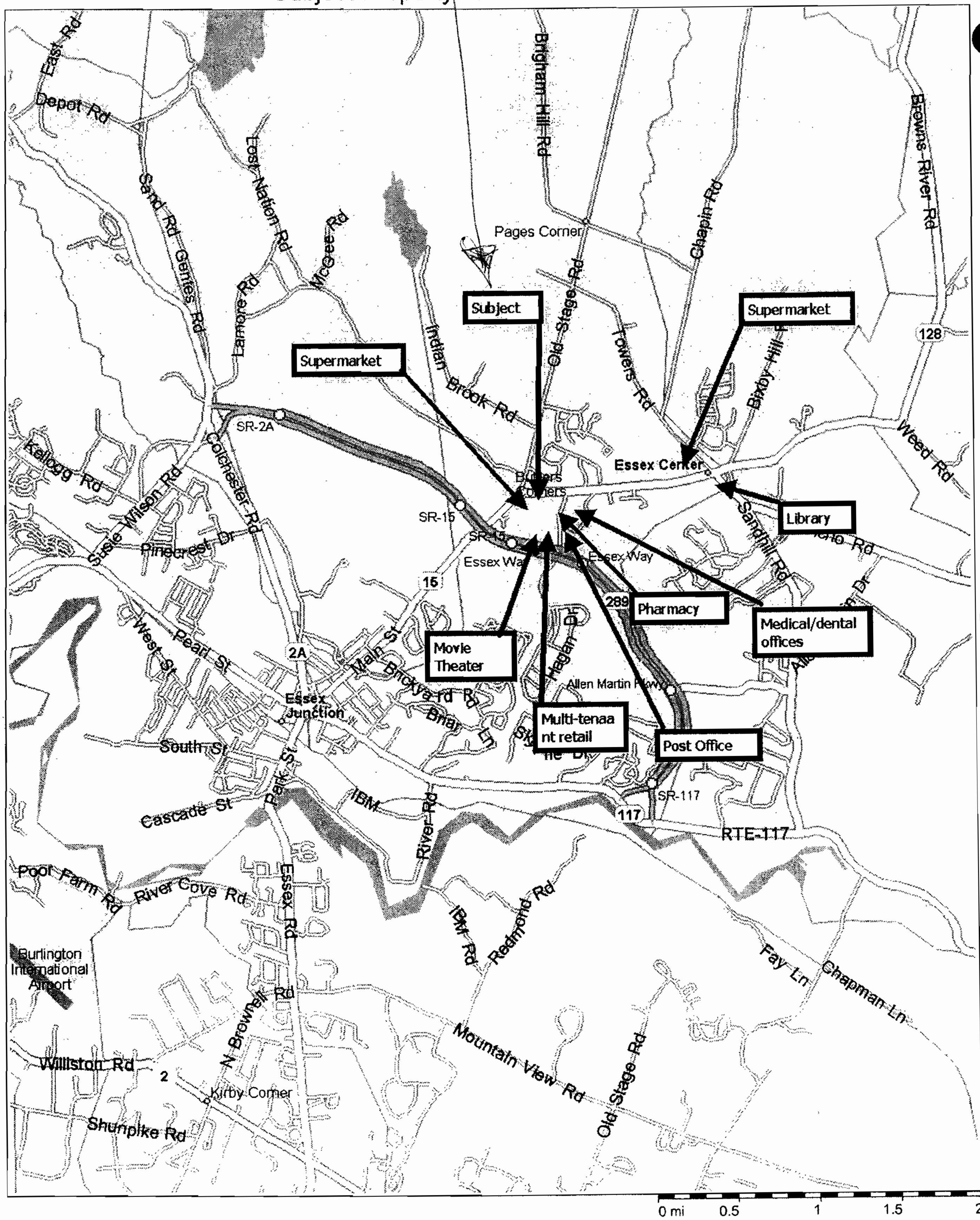
04-Jun-10	**Town Meadow**			
			Per Unit	
	Annual	Monthly	Per Month	
Administration				
Management Fee	25,500	2,125	43	5.3%
Supportive Services	0	0	0	
Audit/Accounting	4,000	333	7	
Legal	300	25	1	
Compliance Monitoring	3,168	264	5	
Marketing	500	42	1	
Other - Salaries	17,000	1,417	29	
TOTAL ADMINISTRATIVE	50,468	4,206	86	
Utilities				
Electricity	34,000	2,833	58	
Fuel	19,000	1,583	32	
Water and Sewer	6,800	567	12	
Fire Alarm / Emergency	3,000	250	5	
Other		0	0	
TOTAL UTILITIES	62,800	5,233	107	
Maintenance				
Maintenance / Janitor Payroll	21,000	1,750	36	
Janitor Supplies	750	63	1	
Exterminating	100	8	0	
Trash Removal	3,400	283	6	
Snow Removal	4,000	333	7	
Grounds	3,600	300	6	
Repairs Material	3,000	250	5	
Repairs Contract	3,000	250	5	
HVAC Repairs / Maintenance	500	42	1	
Elevator Contract / Repairs	1,500	125	3	
Painting and Decorating	1,000	83	2	
Other		0	0	
TOTAL MAINTENANCE	41,850	3,488	71	
				per unit month
Real Estate Taxes	40,000	3,333	68	excl. ds & res.
Property Insurance	16,000	1,333	27	359
Replacement Reserves	20,580	1,715	35	$420 per unit per year
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other		0	0	
Total	231,698	19,308	394	

"Below-the-Line" Expenses:		List these in order of priority as in Partnership Agreement; add any other line items
Special LP or GP Fee	0	
Repayment of Deferred Fee	0	
Partnership Audit or K-1 Fee	0	
Distribution	0	
Net to Residual Recepits/Cumulative Cash Flow	231,698	

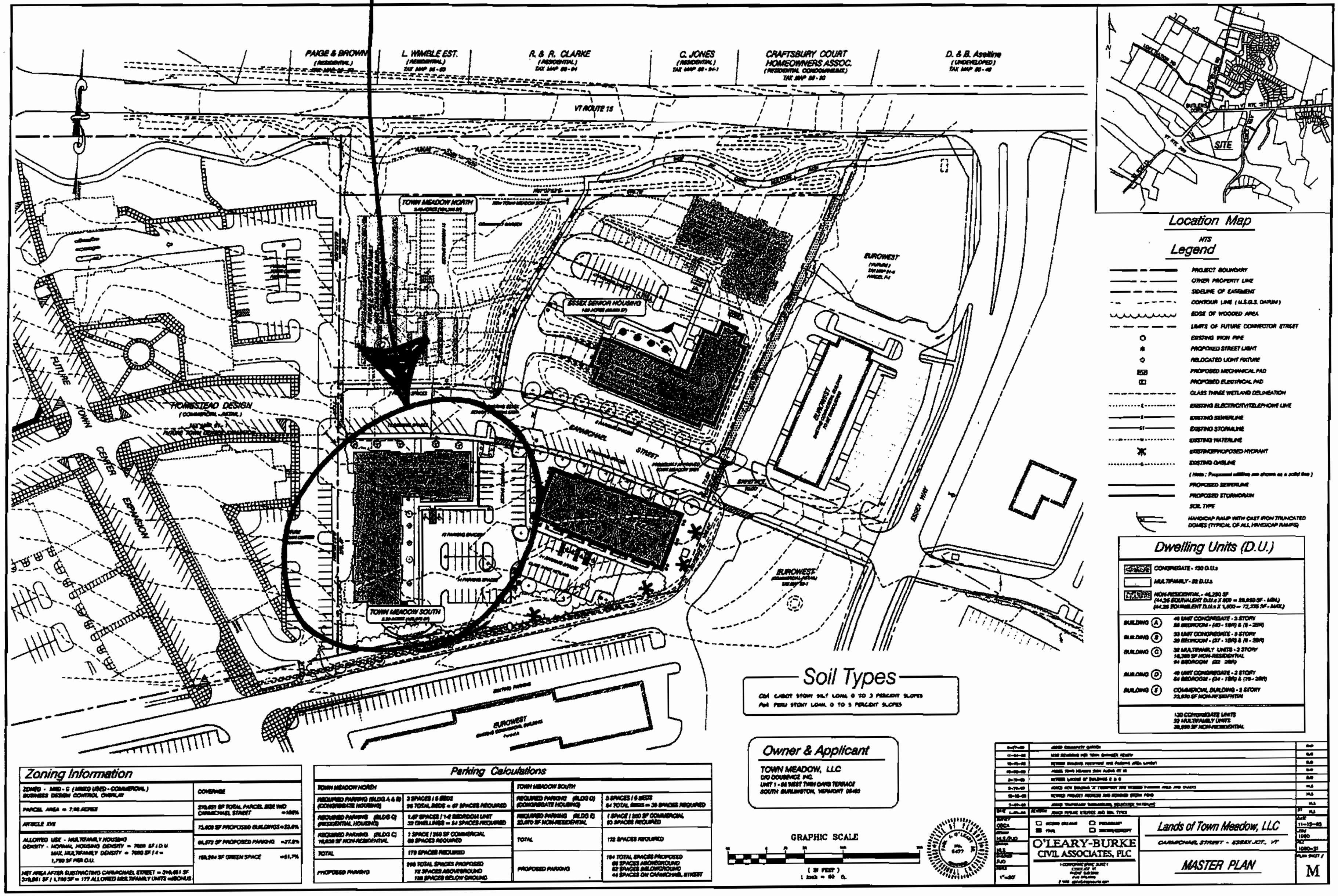
04-Jun-10		Town Meadow														
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		496,944	504,398	511,964	519,644	527,438	535,350	543,380	551,531	559,804	568,201	576,724	585,375	594,155	603,068	612,114
Other Income		8,000	8,120	8,242	8,365	8,491	8,618	8,748	8,879	9,012	9,147	9,284	9,424	9,565	9,708	9,854
Vacancy and other losses		(24,847)	(25,220)	(25,598)	(25,982)	(26,372)	(26,767)	(27,169)	(27,577)	(27,990)	(28,410)	(28,836)	(29,269)	(29,708)	(30,153)	(30,606)
Total Operating Income		480,097	487,298	494,608	502,027	509,557	517,201	524,959	532,833	540,825	548,938	557,172	565,530	574,012	582,623	591,362
Operating Expenses																
Total Expenses (excl. Reserves)		211,118	217,452	223,975	230,694	237,615	244,744	252,086	259,649	267,438	275,461	283,725	292,237	301,004	310,034	319,335
Reserves		20,580	20,889	21,202	21,520	21,843	22,171	22,503	22,841	23,183	23,531	23,884	24,242	24,606	24,975	25,350
Total Operating Expense		231,698	238,340	245,177	252,214	259,458	266,914	274,589	282,489	290,621	298,992	307,609	316,479	325,610	335,009	344,684
Net Operating Income		248,399	248,958	249,431	249,812	250,099	250,286	250,370	250,344	250,204	249,946	249,563	249,051	248,403	247,614	246,678
Less Primary Debt Service		225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911	225,911
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		22,488	23,047	23,520	23,902	24,189	24,376	24,459	24,433	24,294	24,035	23,652	23,140	22,492	21,703	20,767
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		22,488	23,047	23,520	23,902	24,189	24,376	24,459	24,433	24,294	24,035	23,652	23,140	22,492	21,703	20,767
DCR		109.95%	110.20%	110.41%	110.58%	110.71%	110.79%	110.83%	110.82%	110.75%	110.64%	110.47%	110.24%	109.96%	109.61%	109.19%
Cumulative Cash Flow																
Beginning Balance		0	22,713	46,445	71,129	96,693	123,057	150,138	177,844	206,078	234,737	263,707	292,870	322,099	351,258	380,203
Deposits		22,488	23,047	23,520	23,902	24,189	24,376	24,459	24,433	24,294	24,035	23,652	23,140	22,492	21,703	20,767
Interest	2.0%	225	685	1,164	1,662	2,176	2,705	3,247	3,801	4,365	4,935	5,511	6,089	6,667	7,242	7,812
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		22,713	46,445	71,129	96,693	123,057	150,138	177,844	206,078	234,737	263,707	292,870	322,099	351,258	380,203	408,782
Cumulative Replacement Reserves																
Beginning Balance		0	20,786	42,409	64,894	88,265	112,550	137,775	140,558	167,277	195,012	223,795	253,657	284,628	316,742	350,032
Deposits		20,580	20,889	21,202	21,520	21,843	22,171	22,503	22,841	23,183	23,531	23,884	24,242	24,606	24,975	25,350
Interest	2.0%	206	632	1,073	1,532	2,008	2,503	2,783	3,078	3,623	4,188	4,775	5,383	6,014	6,668	7,071
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		20,786	42,409	64,894	88,265	112,550	137,775	140,558	167,277	195,012	223,795	253,657	284,628	316,742	350,032	357,104
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		248,399	248,958	249,431	249,812	250,099	250,286	250,370	250,344	250,204	249,946	249,563	249,051	248,403	247,614	246,678
Plus Reserves		20,580	20,889	21,202	21,520	21,843	22,171	22,503	22,841	23,183	23,531	23,884	24,242	24,606	24,975	25,350
Less Interest Expense		(251,231)	(252,283)	(253,373)	(254,501)	(255,668)	(256,875)	(258,123)	(259,412)	(260,743)	(262,117)	(263,534)	(264,995)	(266,500)	(268,049)	(269,642)
Less Long Depreciation		(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)	(186,045)
Less Short Depreciation		(7,143)	(7,143)	(7,143)	(7,143)	(7,143)	(7,143)	(7,143)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(175,440)	(175,624)	(175,928)	(176,356)	(176,914)	(177,606)	(178,438)	(172,273)	(173,401)	(174,686)	(176,133)	(177,748)	(179,536)	(181,505)	(183,660)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		61,404	61,469	61,575	61,725	61,920	62,162	62,453	60,295	60,690	61,140	61,646	62,212	62,838	63,527	64,281
Plus Tax Credits		547,815	547,815	547,815	547,815	547,815	547,815	547,815	547,815	547,815	547,815					
After Tax Cash Flow		609,219	609,284	609,390	609,540	609,735	609,977	610,268	608,110	608,505	608,955	61,646	62,212	62,838	63,527	64,281
Total Years	15															
Reinvestment Rate	12.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		609,219	609,284	609,390	609,540	609,735	609,977	610,268	608,110	608,505	608,955	61,646	62,212	62,838	63,527	64,281
Future Value of Cash Flows at Yr 15:		3,334,601	2,977,637	2,659,068	2,374,752	2,120,993	1,894,496	1,692,322	1,505,659	1,345,212	1,201,969	108,642	97,891	88,282	79,688	71,995
Discount Rate:	6.00%															
Capital Contribution Number:	1	2	3	4												
Date of Capital Contribution:	15-Jun-10	15-Jun-10	15-Jun-10	15-Jun-10												
Amount of Capital Contribution:	0	0	0	0												
Present Value of Contributions:	0	0	0	0												
Cash Flows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,553,208
IRR:	#NUM!															
Equity Yield:	0															

Town Meadow, Essex

Subject Property Location and Services



Town Meadow, Essex



WEST ELEVATION
SCALE: 1/8" = 1'-0"

NORTH ELEVATION
SCALE: 1/8" = 1'-0"

DESCRIPTION OF EXTERIOR MATERIALS:

1	SIDING TYPE - 1:	VINYL SIDING 'HARDSTREET' BY CERTAINTEED IN DOUBLE 4" WOODGRAIN CLAPBOARD. COLOR AS SELECTED BY ARCHITECT.
2	SIDING TYPE - 2:	VINYL SIDING 'CEDAR IMPRESSIONS' BY CERTAINTEED IN DOUBLE 9" STAGGERED ROUGH-SPLIT SHAKES. COLOR AS SELECTED BY ARCHITECT.
3	SIDING TYPE - 3:	VERTICAL VINYL SIDING UNIVERSAL TRIPLE 4" BY CERTAINTEED COLOR AS SELECTED BY ARCHITECT.
4	EXTERIOR BALCONY:	BALCONY TO BE MADE OF PRESSURE TREATED LUMBER, WRAPPED WITH COMPOSITE TRIM BOARDS. COLOR AS SELECTED BY ARCHITECT.
5	ROOF VENTS:	NON-FUNCTIONAL ROOF VENTS
6	ROOFING:	ROOFING SHALL BE ASPHALT ARCHITECTURAL GRADE SHINGLES W/ MIN. 25-YEAR WARRANTY. INSTALL OVER 15# ASPHALT IMPREGNATED FELT. PROVIDE GRACE "ICE & WATER SHIELD" AT ALL EAVES, VALLEYS, RAKES AND AS BACKUP AT ROOF PENETRATIONS. COLOR AS SELECTED BY ARCHITECT.
7	EXTERIOR TRIM:	VINYL TRIM BY CERTAINTEED. SIZES AS REQUIRED. COLOR AS SELECTED BY ARCHITECT.
8	WINDOWS:	EXTRUDED VINYL SINGLE-HUNG WINDOWS W/ LOW-E COATED, ARGON FILLED SIMULATED GLAZING. COLOR TO BE ALMOND
9	BALCONY DOORS:	INSULATED METAL SWING PATIO DOORS W/ SIMULATED GLAZING.
10	BALCONY RAILINGS:	RAILINGS SHALL BE VINYL RAILING SYSTEM. COLOR AS SELECTED BY ARCHITECT.

REVISIONS:	DATE:
REVISED PER OWNER'S COMMENTS	
REVISED PER OWNER'S COMMENTS	

EXTERIOR ELEVATIONS
SCALE: 1/8" = 1'-0"

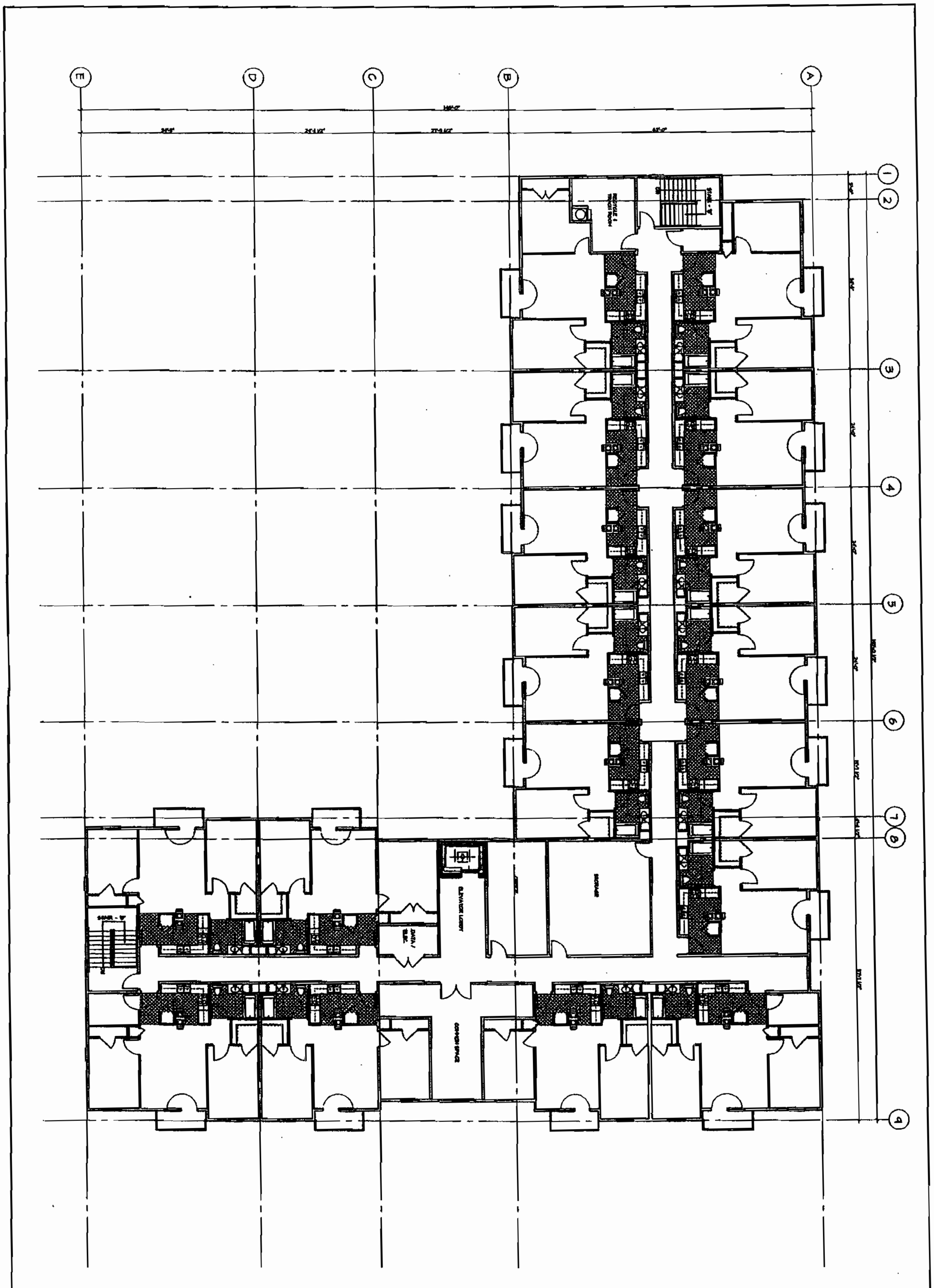
TOWN MEADOW
BUILDING 'D'

ESSEX JUNCTION, VERMONT

RABIDEAU ARCHITECTS

[redacted]

SHEET NUMBER
A-6



A-4

SHEET NUMBER

RABIDEAU ARCHITECTS

95 ST. PAUL STR. SUITE 80
Burlington, VT 05401

THIRD FLOOR PLAN

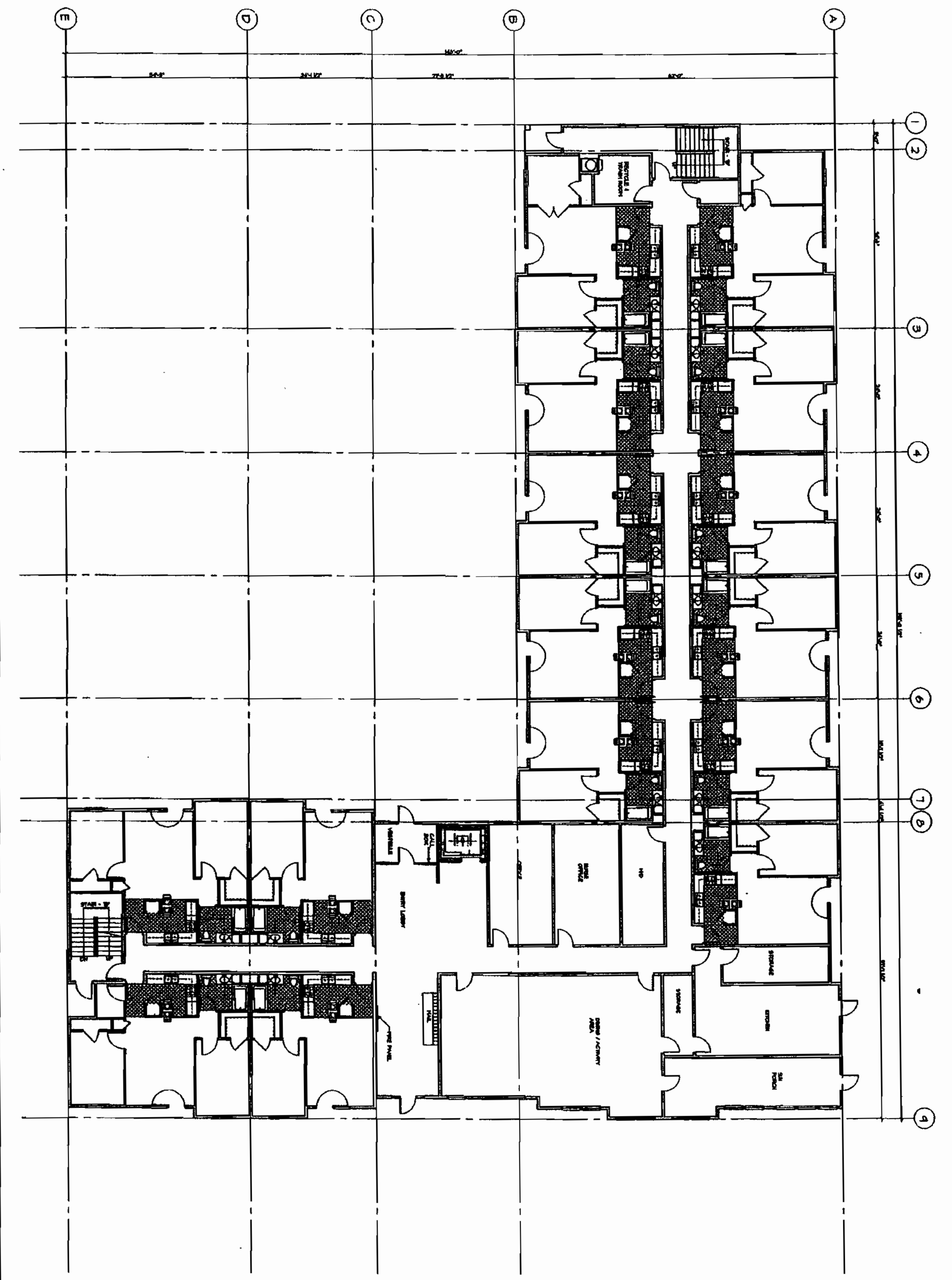
SCALE: 1/8" = 1'-0"

TOWN MEADOW

BUILDING 'D'

ESSEX JUNCTION VERMONT

REVISIONS:	DATE:
REVISED PER OWNER'S COMMENTS	
REVISED PER OWNER'S COMMENTS	



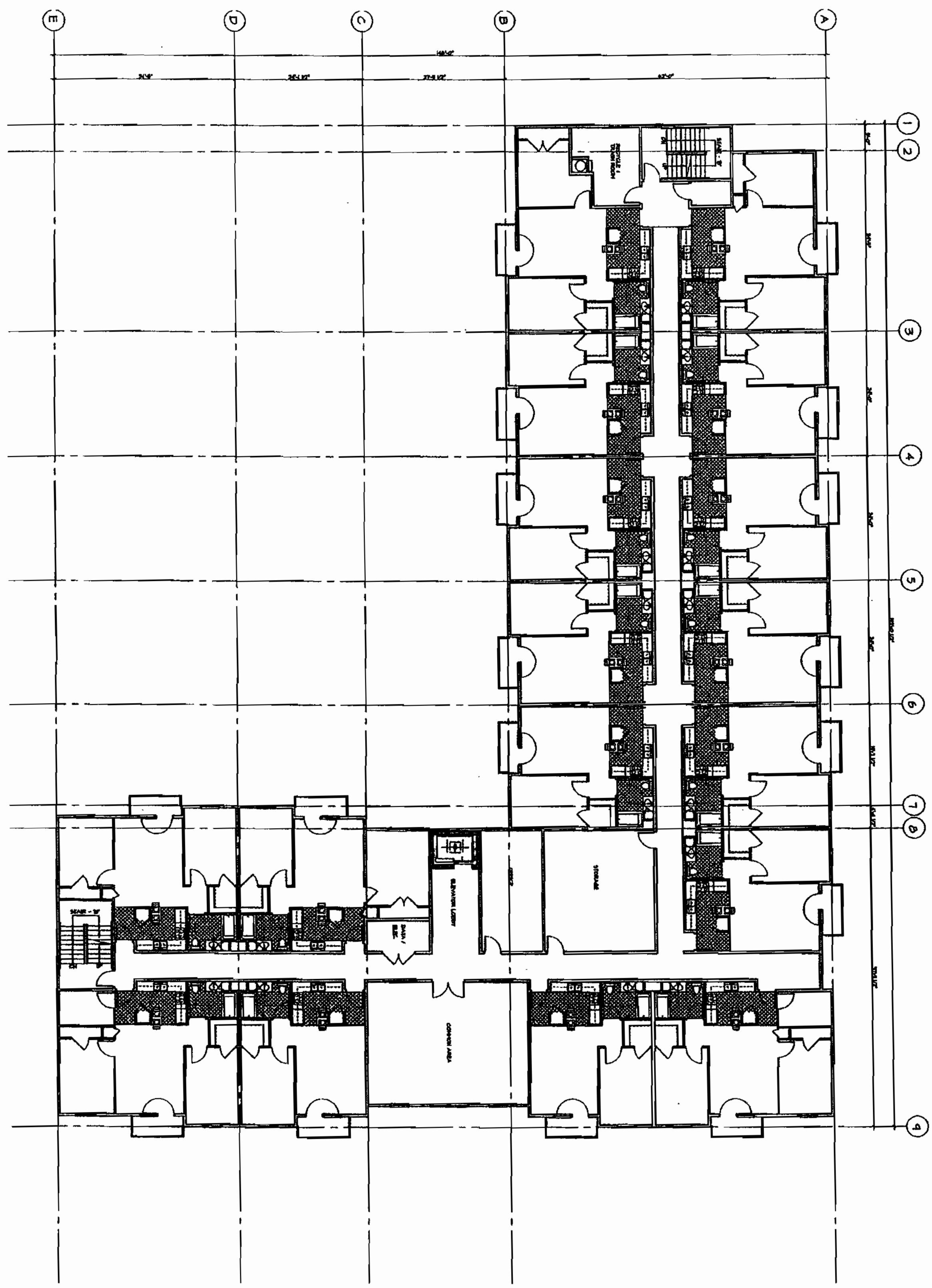
A-2

RABIDEAU ARCHITECTS
85 ST. PAUL STR. SUITE 80
Burlington, VT 05401

FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

TOWN MEADOW
BUILDING 'D'
ESSEX JUNCTION — VERMONT

REVISIONS:	DATE:
REVISED PER OWNER'S COMMENTS	
REVISED PER OWNER'S COMMENTS	



A-3

RABIDEAU ARCHITECTS
95 ST. PAUL STR. SUITE 10
Burlington, VT 05401
ph 802.863.0222
fax 802.863.6467

SECOND FLOOR PLAN
SCALE: 1/8" = 1'-0"

TOWN MEADOW
BUILDING 'D'
ESSEX JUNCTION VERMONT

REVISIONS:	DATE:
REVISED PER OWNER'S COMMENTS	[illegible]
REVISED PER OWNER'S COMMENTS	[illegible]

21-Jun-10 **Village at Leddy Park**

Total Residential Units:	38	Increase in Income from Rental Units:	2.00%
Housing Credit Restricted Units:	31	Increase in Income from Other Sources:	1.50%
Percent Restricted:	81.58%	Increase in Income from Commercial:	0.00%
Total Development Cost:	8,015,137	Expense increase:	2.50%
Total Development Cost per Unit:	210,925	Vacancy Rate:	4.00%
Total Development Cost Per SF:	214	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	27.0 years
Max Credit Potential:	641,998	Short Depreciation Schedule:	5 years
Credit Amount requested:	**500,000**	Sponsor's Estimated Yield:	79.81%
VT State Credit			
Historic Credit	0		
LIHTC - 4%	3.35%	April 2010	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	0	0.00%	6.00%	30	16
NSP	300,000	3.74%	0.00%	40	deferred
City Housing Trust	200,000	2.50%	0.00%	40	deferred
Efficiency VT	29,000	0.36%	0	0	Cap Contribution
VHCB	593,095	7.40%	0	0	Cap Contribution
Deferred Development Fee	120,000	1.50%	0	40	deferred
HUD 202	2,500,000	31.19%	0	40	deferred
HUD EDI	283,042	3.53%	0	40	deferred
Tax Credit Equity LP	3,990,000	49.78%	N/A	N/A	Equity
	8,015,137	100.00%			

USES

Acquisition	311,687	3.89%		
Construction Hard Costs	5,785,000	72.18%		
Soft Costs	1,918,450	23.94%		
TOTAL USES	8,015,137	100.00%		
Gap	**0**			
Construction Loan	3,800,000	6.25%	108,854	11

General Partner's Capital Contribution	399	0.01%
Limited Partner's Capital Contribution	3,990,000	99.99%
Total Equity	3,990,399	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	31
Total Units	38
Unit Fraction	81.58%
Tax Credit Square Footage	19,450
Total Residential Square Footage	25,610
Square Footage Fraction	75.95%
Applicable Fraction	75.95%

21-Jun-10 **Village at Leddy Park**

38 **Total Project**

5,379,000

#	Item	Budget	Total Per Unit	Total Per s.f.	HUD 202	Equity	VHCB	HUD EDI	NSP	City Trust	Eff VT GP Loan
	ACQUISITION										
1	Land	300,000	7,895	7.99			100,000			200,000	
2	Building		0	0.00							
3	Demolition (without replacement)		0	0.00							
4	Property Appraisal	3,500	92	0.09			3,500				
5	Legal - Title and Recording	8,187	215	0.22			8,187				
4,691,500	Subtotal - Acquisition	**311,687**	8,202	8.30							
	CONSTRUCTION HARD COSTS										
6	New Construction	5,279,000	138,921	140.65	2,500,000	2,188,192	331,408	180,400	50,000		29,000
7	Energy upgrades	100,000	2,632	2.66		100,000					
8	Kitchen		0	0.00							
9	Sitework		0	0.00							
10	Commercial Space Costs (if any)		0	0.00							
11	General Requirements		0	0.00							
12			0	0.00							
13	Contractor Profit		0	0.00							
14	Construction Contingency	300,000	7,895	7.99		197,358		102,642			
15	Construction Management		0	0.00							
16	Construction Bond Fee		0	0.00							
17	Hazardous Materials Abatement		0	0.00							
18	Off-Site Improvements		0	0.00							
19	Furnishings, Fixtures, & Equipment	106,000	2,789	2.82		106,000					
20			0	0.00							
	Subtotal - Hard Costs	**5,785,000**	152,237	154.14							
	SOFT COSTS										
21	Architect	250,000							250,000		
22	Survey	7,500	197	0.20		7,500					
23	Legal/Accounting	29,000	763	0.77		29,000					
24	owners representatve/ Clerk	50,000	1,316	1.33		50,000					
25	Environmental Assessment	1,250	33	0.03		1,250					
26	Civil Engineering	20,000	526	0.53		20,000					
27	Permits/Fees	86,100	2,266	2.29		86,100					
28	Archeology	5,000	132	0.13		5,000					
29	Compaction/Testing/soils	9,000	237	0.24		9,000					
30	Independent Market Study	3,800	100	0.10		3,800					
31	Construction Period Insurance	24,000	632	0.64		24,000					
32	Construction Interest	111,500	2,934	2.97		111,500					
33	Loan Origination Fee	11,500	303	0.31		11,500					
34	Taxes During Construction	10,000	263	0.27		10,000					
35	Inspection Fee	5,000	132	0.13		5,000					
36	Marketing	13,000	342	0.35		13,000					
37	Tax Credit Fees	19,200	505	0.51		19,200					
38	Soft Cost Contingency	10,000	263	0.27		10,000					
39	Lender's Council Fee	2,000	53	0.05		2,000					
40			0	0.00		0					
41			0	0.00							
42	Cost Cert IRS & HUD	15,000	395	0.40		15,000					
43	Capital Needs Assessment	2,500	66	0.07		2,500					
	SYNDICATION COSTS										
44	Organizational (Partnership)	1,500	39	0.04		1,500					
45	Bridge Loan Fees and Expenses	12,600	332	0.34		12,600					
46	Syndication Consultant	3,000	79	0.08		3,000					
47	Tax Opinion	0	0	0.00		0					
	DEVELOPER'S FEES										
48	Developer's Fees	580,000	15,263	15.45		430,000	150,000				
49	Deferred Development Fee	120,000									120,000
50	Consultant Fees	76,000	2,000	2.02		76,000					
	RESERVES										
51	Working Capital		0	0.00							
52	Rent-up (Deficit Escrow) Reserve	40,000	1,053	1.07		40,000					
53	Operating Reserves	120,000	3,158	3.20		120,000					
54	Sinking Fund (services	280,000	7,368	7.46		280,000					
55	Replacement Reserves		0	0.00							
	Subtotal - Soft Costs	**1,918,450**	50,486	51.12							
	TOTAL DEVELOPMENT COSTS	**8,015,137**	210,925	213.55	2,500,000	3,990,000	593,095	283,042	300,000	200,000	149,000

26,667

		Itemized Cost	Acquisition Basis	Construction Basis	Residential Depreciation	
	ACQUISITION					
1	Land	300,000				
2	Building	0			0	
3	Demolition (without replacement)	0				
4	Property Appraisal	3,500	3,500			
5	Legal - Title and Recording	8,187	8,187			
	Subtotal - Acquisition	311,687				
	CONSTRUCTION HARD COSTS					
6	New Construction	5,279,000		5,279,000	5,279,000	
7	Energy upgrades	100,000		100,000	100,000	
8	Kitchen	0				
9	Sitework	0		0	0	
10	Commercial Space Costs (if any)	0				
11	General Requirements	0		0	0	
12	0	0		0	0	
13	Contractor Profit	0		0	0	
14	Construction Contingency	300,000		300,000	300,000	
15	Survey	0		0	0	
16	Architectural/Engineering	0		0	0	
17	Hazardous Materials Abatement	0		0	0	
18	Off-Site Improvements	0		0	0	
19	Furnishings, Fixtures, & Equipment	106,000		106,000	106,000	
20	0	0		0	0	
	Subtotal - Hard Costs	5,785,000				
	SOFT COSTS					
21	Architect	250,000		250,000	250,000	
22	Survey	7,500		7,500	7,500	
23	Legal/Accounting	29,000		29,000	29,000	
24	owners representatve/ Clerk	50,000		50,000	50,000	
25	Environmental Assessment	1,250		1,250	1,250	
26	Civil Engineering	30,000		30,000	30,000	
27	Permits/Fees	86,100		86,100	86,100	
28	Archeology	5,000		5,000	5,000	
29	Compaction/Testing	9,000		9,000	9,000	
30	Independent Market Study	3,800		3,800	3,800	
31	Construction Period Insurance	24,000		24,000	24,000	
32	Construction Interest	111,500		111,500	111,500	
33	Loan Origination Fee	11,500		11,500	11,500	
34	Taxes During Construction	10,000		10,000	10,000	
35	Inspection Fee	5,000		5,000	5,000	
36	Marketing	13,000				
37	Tax Credit Fees	19,200				
38	Soft Cost Contingency	10,000		10,000	10,000	
39	Lender's Council Fee	2,000		2,000	2,000	
40	0	0				
41	0	0				
42	Cost Cert IRS & HUD	15,000		15,000	15,000	
43	Capital Needs Assessment	2,500				
	SYNDICATION COSTS					
44	Organizational (Partnership)	1,500				
45	Bridge Loan Fees and Expenses	12,600				
46	Syndication Consultant	3,000				
47	Tax Opinion	0				
	DEVELOPER'S FEES					
48	Developer's Fees	580,000		580,000	580,000	
49	deferred fee	120,000		120,000	120,000	
50	Consultant Fees	76,000		76,000	76,000	
	RESERVES					
51	Working Capital	0				
52	Rent-up (Deficit Escrow) Reserve	40,000				
53	Operating Reserves	120,000				
54	Sinking Fund (services	280,000				
55	Replacement Reserves	0				
	Subtotal - Soft Costs	1,918,450				
	TOTALS	8,015,137	11,687	7,221,650	7,115,650	
LESS:	Amount of Non-qualified Financing					
LESS:	Adjustment for per unit cost limits	100.00%		0		
LESS:	Historic tax Credit (Residential Portion)			0	0	
	Total Eligible Basis		11,687	7,221,650		
TIMES:	Adj for QCT/DDA; Special Construction	130.00%		9,388,145		
TIMES:	Applicable Fraction	75.95%	8,876	7,130,005		
	Total Qualified Basis		8,876	7,130,005	7,009,650	Long Term Depreciable Basis
TIMES:	Applicable Percentage		3.35%	9.00%	27.0	Depreciation Schedule
	Total Annual Credit Qualified		297	641,700	259,617	Annual Depreciation

Total Tax Credits Requested	500,000	641,998	106,000	Short Term Depreciable Basis
Estimated Net Syndication Proceeds **(excluding historic credit equity)**	3,990,000		5	Depreciation Schedule
Estimated Yield - Housing Credit Syndication	79.81%		21,200	Annual Depreciation
Equity Gap	0			
Credits Needed to fill Equity Gap	0			

0.00

21-Jun-10 **Village at Leddy Park**

HC UNITS Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br	HUD sect 8	610	20	625		150,000
2 Br	No RA	880	2	850		20,400
1 br	No RA	610	9	750		81,000
1 Br	Manager	610		0		0
						0
						0
						0
					0	0
Common & Utility Space		4,422				
Common Circulation area		7,500				
	Totals	31,372	31	15,092		251,400

NON HC UNITS Bedrooms	Type	Square Feet	Number	Rent	Utilities	Annual Rent
0 Br					0	0
1 Br		675		900	0	0
2 Br		880	7	1,050	0	88,200
2 Br						
3 Br					0	0
4 Br					0	0
		6,160			0	0
	Totals	**37,532**	7			88,200

37,532

Total Units	38	**TOTAL All Units**	339,600
Less Vacancy	4.00%		(13,584)
		NET RENT	326,016

OTHER INCOME

Laundry	250	3,000
Interest		300
Commercial Space Income		
Other		0

tax credit SF

TOTAL INCOME 329,316

form revision date: 2/27/97

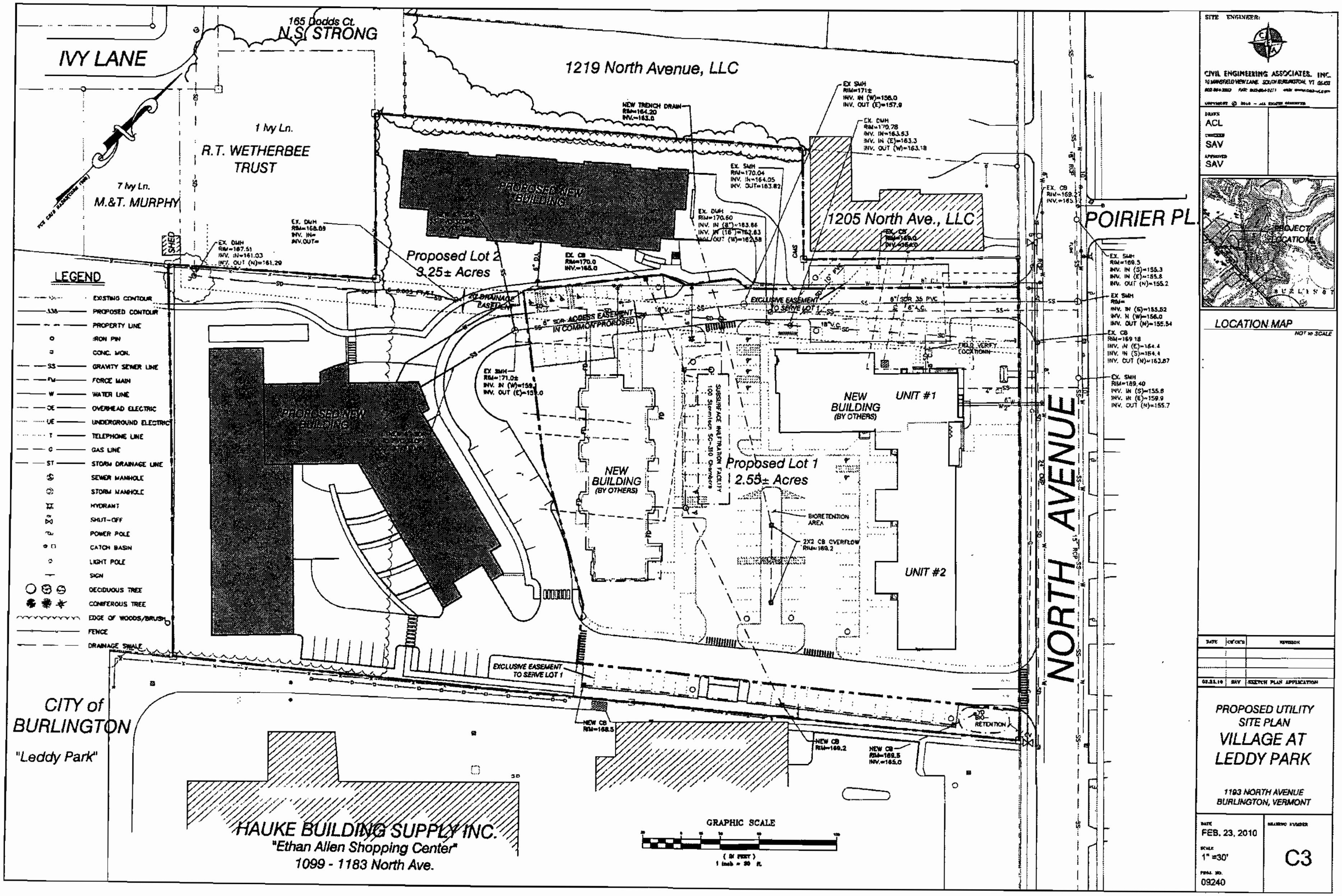
21-Jun-10 **Village at Leddy Park**

	Check all Applicable									A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	# of Br	Sq Ft	Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	1 -20			20	20	20	x	x		1	610	625	0	625		20					20					
1	21-29				9	9	x	x		1	610	750	0	750			9						9			
1	30-31				2	2	x	x		2	880	850		850			2						2			
1	32-38						x	x	x	2	880	1,050		1,050					7						7	
											610	manager - 0														
Total # Units	38	0	0	20	31	31	38	38	0	Totals:		251,400		Total # Units:	0	20	11		7		20		11		7	0

21-Jun-10

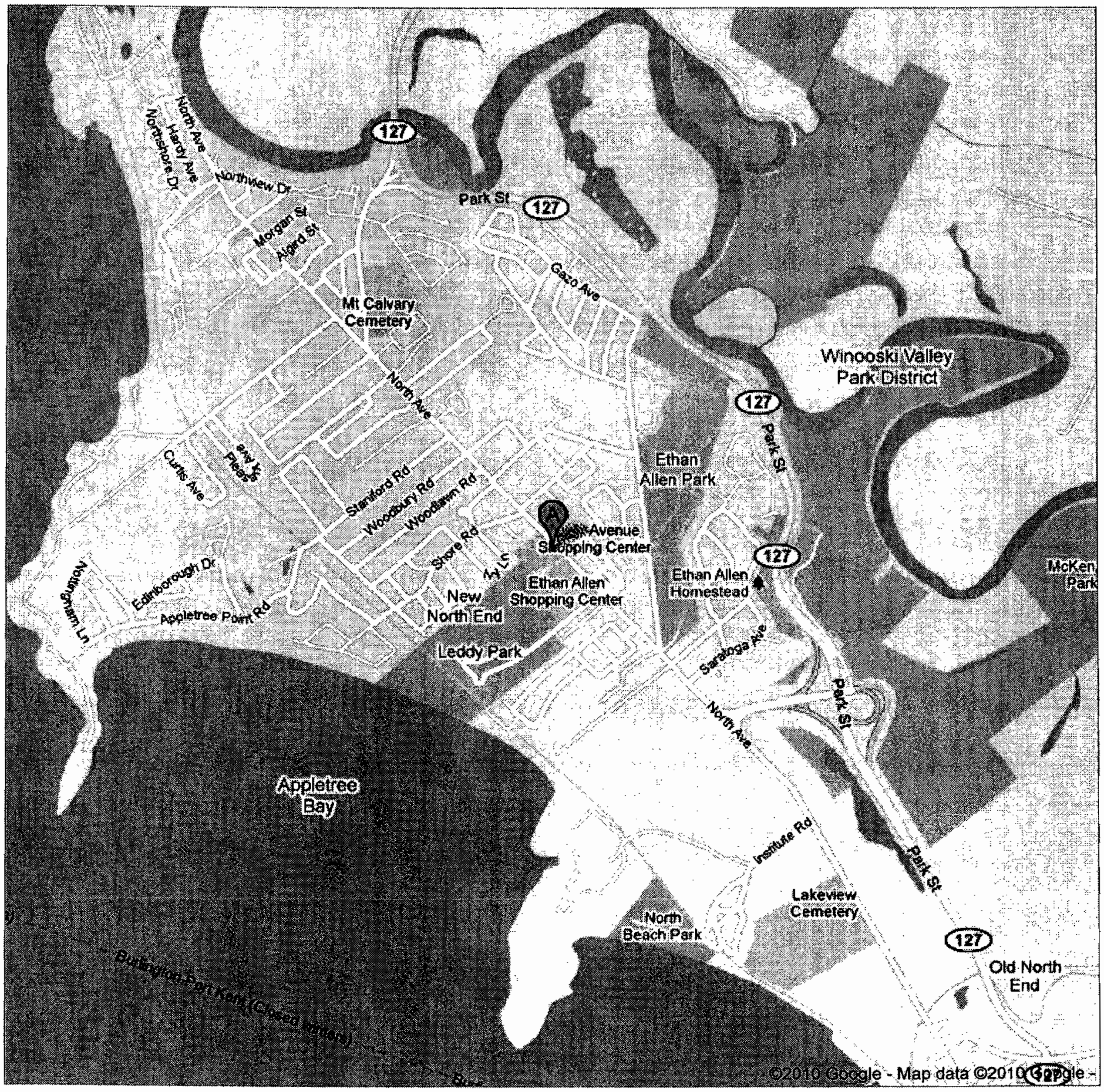
38			Per Unit	
		Monthly	Per Month	
Administration				
Management Fee	24,624	2,052	54	
Support Services	49,400	4,117	108	
Audit/Accounting	12,840	1,070	28	
Legal	1,000	83	2	
Compliance Monitoring	2,304	192	5	
Marketing	1,152	96	3	(leave(7,000 fc
On site Management	30,000	2,500	66	22,000
TOTAL ADMINISTRATIVE	121,320	10,110	266	
Utilities				
Electricity	25,080	2,090	55	
Fuel	22,344	1,862	49	
Water and Sewer	9,120	760	20	
Fire Alarm / Emergency	4,000	333	9	
Other		0	0	
TOTAL UTILITIES	60,544	5,045	133	
Maintenance				
Maintenance / Janitor Payroll	22,800	1,900	50	
Janitor supplies	1,368	114	3	
Exterminating	1,824	152	4	
Trash Removal	4,608	384	10	
Snow Removal	5,000	417	11	
Grounds	5,000	417	11	
Repairs Material	5,000	417	11	
Repairs Contract	5,000	417	11	
HVAC Repairs / Maintenance	3,000	250	7	
Elevator Contract / Repairs	8,000	667	18	
Painting and Decorating	2,000	167	4	
Other	3,000	250	7	
TOTAL MAINTENANCE	66,600	5,550	146	
				per unit month
Real Estate Taxes	29,640	2,470	65	excl. ds & res.
Property Insurance	13,680	1,140	30	640
Replacement Reserves	22,600	1,883	50	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other	0	0	0	
Total	314,384	26,199	689	
	78,596			

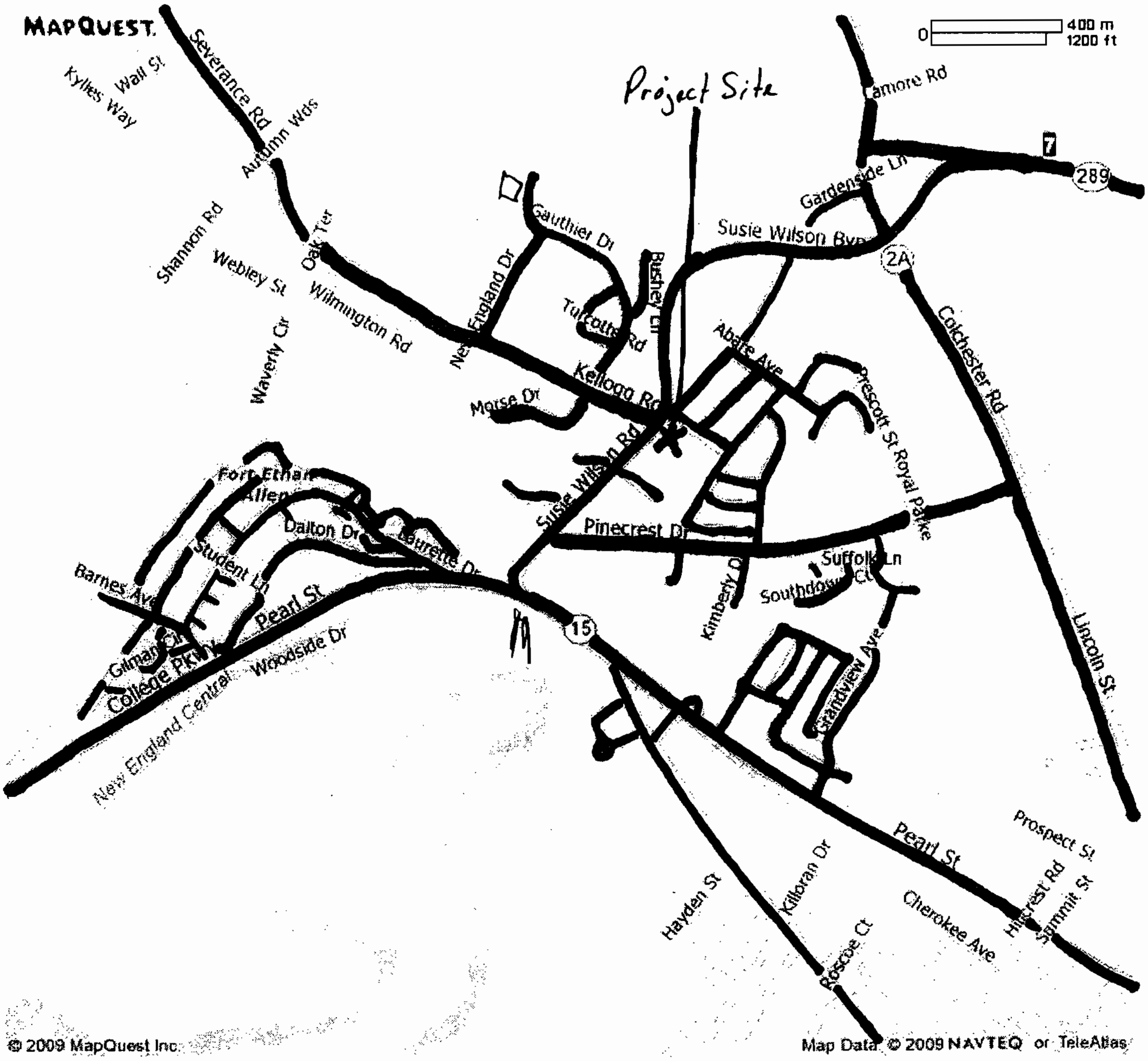
form revision date: 2/27/97


IVY LANE
165 Dodds Ct.
N.S. STRONG
1219 North Avenue, LLC
1 Ivy Ln.
R.T. WETHERBEE TRUST
7 Ivy Ln.
M.&T. MURPHY
SHED
PROPOSED NEW BUILDING
Proposed Lot 2
3.25± Acres
1205 North Ave., LLC
POIRIER PL.
NEW BUILDING (BY OTHERS)
UNIT #1
UNIT #2
Proposed Lot 1
2.55± Acres
SUBSURFACE INFILTRATION FACILITY
100 Stormtech SC-310 Chambers
BIORETENTION AREA
EXCLUSIVE EASEMENT TO SERVE LOT 1
ACCESS EASEMENT IN COMMON PROPOSED
NORTH AVENUE
LEGEND
EXISTING CONTOUR
PROPOSED CONTOUR
PROPERTY LINE
IRON PIN
CONC. MON.
GRAVITY SEWER LINE
FORCE MAIN
WATER LINE
OVERHEAD ELECTRIC
UNDERGROUND ELECTRIC
TELEPHONE LINE
GAS LINE
STORM DRAINAGE LINE
SEWER MANHOLE
STORM MANHOLE
HYDRANT
SHUT-OFF
POWER POLE
CATCH BASIN
LIGHT POLE
SIGN
DECIDUOUS TREE
CONIFEROUS TREE
EDGE OF WOODS/BRUSH
FENCE
DRAINAGE SWALE
CITY of BURLINGTON
"Leddy Park"
HAUKE BUILDING SUPPLY INC.
"Ethan Allen Shopping Center"
1099 - 1183 North Ave.
GRAPHIC SCALE
(IN FEET)
1 inch = 30 ft.
SITE ENGINEER:
CIVIL ENGINEERING ASSOCIATES, INC.
ACL
SAV
SAV
LOCATION MAP
NOT to SCALE
02.23.10 SAV SKETCH PLAN APPLICATION
PROPOSED UTILITY SITE PLAN
VILLAGE AT LEDDY PARK
1193 NORTH AVENUE
BURLINGTON, VERMONT
FEB. 23, 2010
1" =30'
09240
C3

Google maps Address **1193 North Ave**
Burlington, VT 05408

Notes DMV site




MapQuest
400 m
1200 ft
0
Project Site
Severance Rd
Wall St
Kylies Way
Autumn Wds
Shannon Rd
Webley St
Oak Ter
Wilmington Rd
Waverly Cir
New England Dr
Gauthier Dr
Tuscotte Rd
Bushey Cir
Kellogg Rd
Morse Dr
Susie Wilson Rd
Susie Wilson Byp
Gardenside Ln
Abare Ave
Prescott St
Royal Parke
Colchester Rd
Lincoln St
Pinecrest Dr
Kimberly Dr
Suffolk Ln
Southdown Ct
Grandview Ave
Fort Ethan Allen
Dalton Dr
Laurette Dr
Student Ln
Barnes Ave
Gilman Cir
College Pkwy
Pearl St
Woodside Dr
New England Central
Hayden St
Killoran Dr
Roscoe Ct
Cherokee Ave
Prospect St
Hillcrest Rd
Summit St
289
2A
15
7
© 2009 MapQuest Inc.
Map Data © 2009 NAVTEQ or TeleAtlas

22-Jun-10 **Thayer Commons Family Housing**

Total Residential Units:	33	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	26	Increase in Income from Other Sources:	1.50%
Percent Restricted:	78.79%	Increase in Income from Commercial:	1.50%
Total Development Cost:	7,617,222	Expense increase:	3.00%
Total Development Cost per Unit:	230,825	Vacancy Rate:	5%
Total Development Cost Per SF:	206	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	662,024	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	600,000	Sponsor's Estimated Yield:	80.82%

LIHTC - 9%	9.00%	(June 2010)
LIHTC - 4%	3.35%	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	720,000	9.45%	7.25%	30	30
VHCB	600,000	7.88%	0.00%	30	deferred
HOME	500,000	6.56%	0.00%	20	deferred
HUD EDI	500,000	6.56%	0.00%	30	deferred
NeighborWorks	264,000				
Eff Vermont	19,800				
State Credit Equity	212,500	2.79%	N/A	N/A	
Tax Credit Equity	4,849,416	63.66%	N/A	N/A	
TOTAL SOURCES	7,665,716	100.64%			

USES

Acquisition	271,500	3.56%
Construction Hard Costs	5,657,852	74.28%
Soft Costs	1,687,870	22.16%
TOTAL USES	7,617,222	100%
Gap	(48,494)	

General Partner's Capital Contribution	48,494	1.00%
Limited Partner's Capital Contribution	4,800,922	99.00%
Total Equity	4,849,416	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	26
Total Units	33
Unit Fraction	78.79%
Tax Credit Square Footage	31,175
Total Residential Square Footage	37,000
Square Footage Fraction	84.26%
Applicable Fraction	78.79%

21-Jun-10 **Thayer Commons Family Housing**

#		Budget	Per Unit	Per s.f.	Debt Terms:____	NW Terms:____	VHCB Terms:____	HOME Terms:____	Allocation of Sources HUD EDI Terms:____	Eff VT Terms:____	Equity Terms:____	Other Terms:____	TOTAL SOURCES
	ACQUISITION												
1	Land	265,000	8,030	7.16	265,000								265,000
2	Purchase of Building(s)		0	0.00									0
3	Demolition (without replacement)		0	0.00									0
4	Property Appraisal	3,500	106	0.09							3,500		3,500
5	Legal - Title and Recording	3,000	91	0.08							3,000		3,000
	Subtotal - Acquisition	271,500	8,227	7.34									
	CONSTRUCTION HARD COSTS												
6	Rehabilitation		0	0.00									0
7	New Building(s)	4,857,727	147,204	131.29	455,000	264,000	600,000	500,000	500,000		2,326,227	212,500	4,857,727
8	Accessory Buildings		0	0.00									0
9	Sitework	250,000	7,576	6.76							250,000		250,000
10	Solar DHW	57,000	1,727	1.54							57,000		57,000
11	General Requirements		0	0.00									0
12	Contractor Overhead		0	0.00									0
13	Contractor Profit		0	0.00									0
14	Construction Contingency	435,000	13,182	11.76							435,000		435,000
15	Construction Management		0	0.00									0
16	Construction Bond Fee		0	0.00									0
17	Hazardous Materials Abatement		0	0.00									0
18	Off-Site Improvements		0	0.00									0
19	Furnishings, Fixtures, & Equipment	58,125	1,761	1.57						19,800	38,325		58,125
20	Other (____________)		0	0.00									0
	Subtotal - Hard Costs	5,657,852	171,450	152.91									
	SOFT COSTS												
21	Architectural	366,580	11,108	9.91							366,580		366,580
22	Engineering		0	0.00									0
23	Legal/Accounting	30,000	909	0.81							30,000		30,000
24	Relocation		0	0.00									0
25	Environmental Assessment	2,250	68	0.06							2,250		2,250
26	Energy Assessment		0	0.00									0
27	Permits/Fees	97,010	2,940	2.62							97,010		97,010
28	Independent Market Study	2,500	76	0.07							2,500		2,500
29	Construction Period Insurance	20,000	606	0.54							20,000		20,000
30	Construction Interest	201,670	6,111	5.45							201,670		201,670
31	Construction Loan Origination Fee		0	0.00									0
32	Taxes During Construction	5,000	152	0.14							5,000		5,000
33	Clerk of the Works		0	0.00									0
34	Marketing		0	0.00									0
35	Tax Credit Fees	34,000	1,030	0.92							34,000		34,000
36	Soft Cost Contingency	20,000	606	0.54							20,000		20,000
37	Permanent Loan Origination Fee	22,450	680	0.61							22,450		22,450
38	Lender's Counsel's Fee		0	0.00									0
39	Other (____________)		0	0.00									0
	SYNDICATION COSTS												
40	Organizational (Partnership)	7,500	227	0.20							7,500		7,500
41	Bridge Loan Fees and Expenses		0	0.00									0
42	Syndication Consultant		0	0.00									0
43	Tax Opinion		0	0.00									0
	DEVELOPER'S FEES												
44	Developer's Fees	800,000	24,242	21.62							800,000		800,000
45	Other Partnership Fees		0	0.00									0
46	Consultant Fees		0	0.00									0
	RESERVES												
47	Working Capital	25,000	758	0.68							25,000		25,000
48	Rent-up (Deficit Escrow) Reserve	53,910	1,634	1.46							53,910		53,910
49	Other Operating Reserves		0	0.00									0
50	Sinking Fund		0	0.00									0
51	Replacement Reserves		0	0.00									0
	Subtotal - Soft Costs	1,687,870	51,148	45.62									
	TOTAL DEVELOPMENT COSTS	7,617,222	230,825	206			600,000	500,000	500,000	19,800	4,800,922	212,500	7,617,222

COST BASIS FOR DEVEL FEE	6,738,312
DEVELOPER FEE	800,000
DEVELOPER FEE %	11.87%

21-Jun-10 **Thayer Commons Family Housing**

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to Date	To be Incurred	Total
	ACQUISITION									
1	Land	265,000								
2	Purchase of Building(s)	0								
3	Demolition (without replacement)	0								
4	Property Appraisal	3,500	3,500		3,500					
5	Legal - Title and Recording	3,000	3,000		3,000					
	Subtotal - Acquisition	271,500								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	0		0	0					
7	New Building(s)	4,857,727		4,857,727	4,857,727					
8	Accessory Buildings	0		0	0					
9	Sitework	250,000		250,000	250,000					
10	Solar DHW	57,000								
11	General Requirements	0		0	0					
12	Contractor Overhead	0		0	0					
13	Contractor Profit	0		0	0					
14	Construction Contingency	435,000		435,000	435,000					
15	Construction Management	0		0	0					
16	Construction Bond Fee	0		0	0					
17	Hazardous Materials Abatement	0		0	0					
18	Off-Site Improvements	0		0	0					
19	Furnishings, Fixtures, & Equipment	58,125		58,125	58,125					
20	Other (____________)	0		0	0					
	Subtotal - Hard Costs	5,657,852								
	SOFT COSTS									
21	Architectural	366,580		366,580	366,580					
22	Engineering	0		0	0					
23	Legal/Accounting	30,000		30,000	30,000					
24	Relocation	0		0	0					
25	Environmental Assessment	2,250		2,250	2,250					
26	Energy Assessment	0		0	0					
27	Permits/Fees	97,010		97,010	97,010					
28	Independent Market Study	2,500		2,500	2,500					
29	Construction Period Insurance	20,000		20,000	20,000					
30	Construction Interest	201,670		201,670	201,670					
31	Construction Loan Origination Fee	0		0	0					
32	Taxes During Construction	5,000		5,000	5,000					
33	Clerk of the Works	0		0	0					
34	Marketing	0								
35	Tax Credit Fees	34,000		34,000	34,000					
36	Soft Cost Contingency	20,000		20,000	20,000					
37	Permanent Loan Origination Fee	22,450								
38	Lender's Counsel's Fee	0		0	0					
39	Other (____________)	0		0	0					
	SYNDICATION COSTS									
40	Organizational (Partnership)	7,500								
41	Bridge Loan Fees and Expenses	0								
42	Syndication Consultant	0								
43	Tax Opinion	0								
	DEVELOPER'S FEES									
44	Developer's Fees	800,000		800,000	800,000					
45	Other Partnership Fees	0		0	0					
46	Consultant Fees	0		0	0					
	RESERVES									
47	Working Capital	25,000								
48	Rent-up (Deficit Escrow) Reserve	53,910								
49	Other Operating Reserves	0								
50	Sinking Fund	0								
51	Replacement Reserves	0								
	Subtotal - Soft Costs	1,687,870								
	TOTALS	7,617,222	6,500	7,179,862	7,128,237	0				

		Acquisition Basis	Construction Basis	Residential Depreciation	
LESS: Amount of Non-qualified Financing					
LESS: Historic tax Credit (Residential Portion)			0	0	20% Historic Credit Rate
Total Eligible Basis		6,500	7,179,862		0 Annual Historic Credit
TIMES: Adjusted for QCT/DDA	130.0%		9,333,821		
TIMES: Applicable Fraction	78.79%	5,121	7,353,919		
Total Qualified Basis		5,121	7,353,919	7,128,237	Long Term Depreciable Basis
TIMES: Applicable Percentage		3.35%	9.00%	27.5	Depreciation Schedule
Total Annual Credit Qualified		172	661,853	259,209	Annual Depreciation
				58,125	Short Term Depreciable Basis
				7	Depreciation Schedule
				8,304	Annual Depreciation

Total Tax Credits Requested	600,000
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	4,800,922
Estimated Yield - Housing Credit Syndication	80.82%
Equity Gap	4,800,922
Credits Needed to fill Equity Gap	600,000

21-Jun-10 **Thayer Commons Family Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		675	9	715		77,220
2 Br		950	14	908		152,544
3 Br		1,330	3	963		34,668
4+ Br			0	0		0
	Totals	23,365	26			264,432

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		675	3	782		28,152
2 Br		950	4	982		47,136
3 Br			0	0		0
4+ Br			0	0		0
	Totals	5,825	7			75,288
Common Area Square Footage		7,810				
	Grand Totals	37,000	33			339,720
		Less Vacancy	5.00%			(16,986)
					NET RENT	322,734
		OTHER INCOME				
		Laundry				1,800
		Parking				0
		Commercial Space Income				0
		Other				0
					TOTAL INCOME	324,534

21-Jun-10

Thayer Commons Family Housing

		Check all Applicable								A					B						C					
Floor #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
First	100				1	1		1		2	950	918	52	970			1						1			
	101				1	1		1		2	950	918	52	970			1						1			
	102				1	1		1		1	675	782	40	822			1						1			
	103							1	1	2	950	918	52	970					1						1	
	104				1	1		1		2	950	918	52	970			1						1			
	105	1			1	1		1		1	675	652	40	692		1						1				
	106				1	1	1	1		2	950	918	52	970			1						1			
	107	1						1	1	2	950	982	52	1,034		1						1				
	108	1			1	1		1		1	675	652	40	692		1						1				
	109							1	1	1	675	782	40	822					1						1	
	110				1	1	1	1		3	1,330	1,061	60	1,121			1						1			
Second	200				1	1		1		2	950	918	52	970			1						1			
	201				1	1		1		2	950	918	52	970			1						1			
	202				1	1		1		1	675	765	40	805			1						1			
	203							1	1	2	950	982	52	1,034					1						1	
	204				1	1		1		2	950	918	52	970			1						1			
	205				1	1		1		1	675	765	40	805			1						1			
	206	1			1	1	1	1		2	950	782	52	834		1						1				
	207							1	1	2	950	982	52	1,034					1						1	
	208	1			1	1		1		1	675	652	40	692			1						1			
	209				1	1		1		1	675	765	40	805			1						1			
	210				1	1		1		3	1,330	904	60	964		1						1				
Third	300				1	1		1		2	950	918	52	970			1						1			
	301							1	1	2	950	982	52	1,034					1						1	
	302				1	1		1		1	675	765	40	805			1						1			
	303				1	1		1		2	950	918	52	970			1						1			
	304				1	1		1		2	950	918	52	970			1						1			
	305				1	1		1		1	675	765	40	805			1						1			
	306				1	1	1	1		2	950	918	52	970			1						1			
	307				1	1		1		2	950	918	52	970			1						1			
	308	1			1	1		1		1	675	652	40	692		1						1				
	309							1	1	1	675	782	40	822					1						1	
	310				1	1		1		3	1,330	1,061	60	1,121			1						1			
Total # Units	33									Totals:	29,190	28,449		Total # Units:	0	6	21	0	6	0	0	6	21	0	6	0

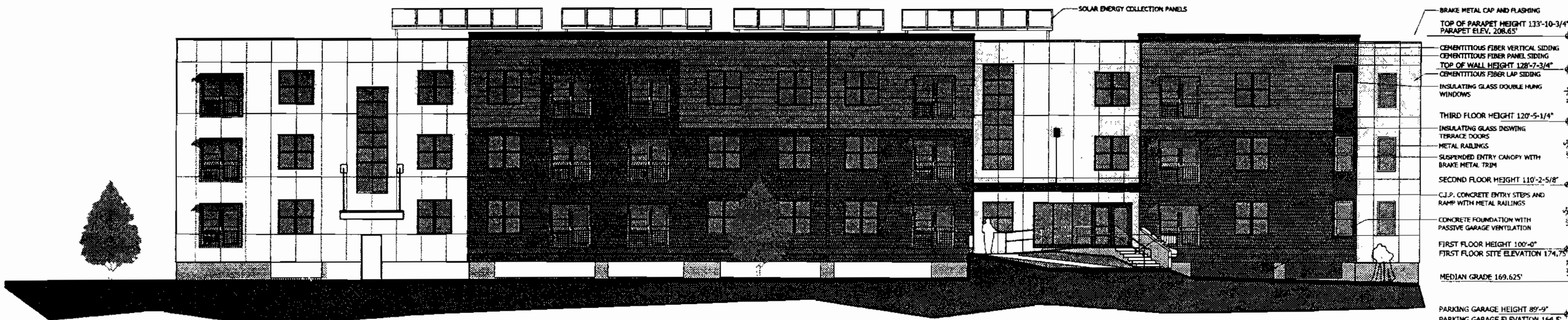
21-Jun-10 Thayer Commons Family Housing

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	27,750	2,313	70	8.6%
Supportive Services	2,200	183	6	
Audit/Accounting	4,500	375	11	
Legal	2,800	233	7	
Compliance Monitoring	2,376	198	6	
Marketing	800	67	2	
Other	10,000	833	25	
TOTAL ADMINISTRATIVE	50,426	4,202	127	
Utilities				
Electricity	10,500	875	27	
Fuel	19,100	1,592	48	
Water and Sewer	9,700	808	24	
Fire Alarm / Emergency	1,400	117	4	
Other	0	0	0	
TOTAL UTILITIES	40,700	3,392	103	
Maintenance				
Maintenance / Janitor Payroll	15,750	1,313	40	
Janitor Supplies	7,500	625	19	
Exterminating	150	13	0	
Trash Removal	6,000	500	15	
Snow Removal	7,500	625	19	
Grounds	3,500	292	9	
Repairs Material	5,000	417	13	
Repairs Contract	9,500	792	24	
HVAC Repairs / Maintenance	6,500	542	16	
Elevator Contract / Repairs	4,100	342	10	
Painting and Decorating	2,500	208	6	
Other	5,000	417	13	
TOTAL MAINTENANCE	73,000	6,083	184	
				per unit month
Real Estate Taxes	45,000	3,750	114	excl. ds & res.
Property Insurance	6,500	542	16	545
Replacement Reserves	19,800	1,650	50	
Primary Debt Service	58,940	4,912	149	
Other "must pay" debt service	0	0	0	
Other	0	0	0	
Total	294,366	24,531	743	

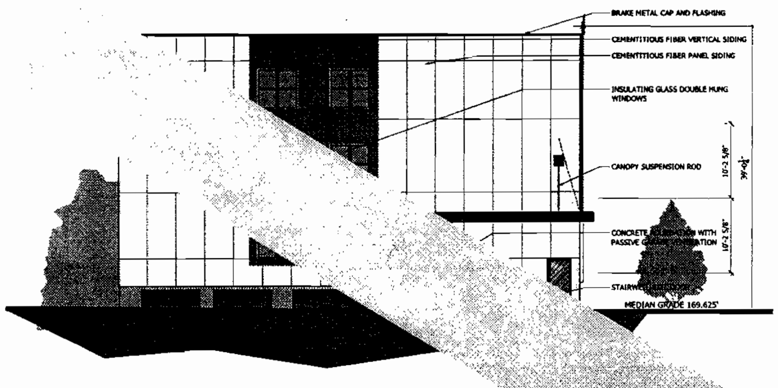
"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Receipts/Cumulative Cash Flow	294,366

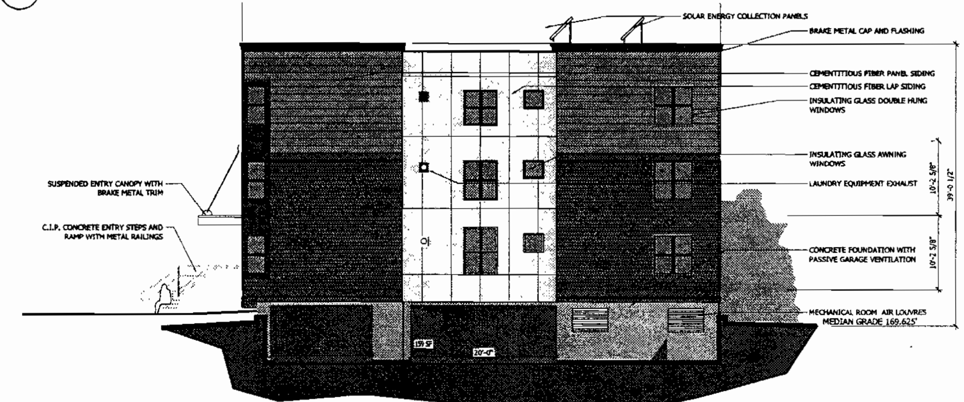
21-Jun-10	Thayer Commons Family Housing															
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		339,720	344,816	349,988	355,238	360,566	365,975	371,465	377,037	382,692	388,432	394,259	400,173	406,175	412,268	418,452
Other Income		1,800	1,827	1,854	1,882	1,910	1,939	1,968	1,998	2,028	2,058	2,089	2,120	2,152	2,184	2,217
Vacancy and other losses		(16,986)	(17,241)	(17,499)	(17,762)	(18,028)	(18,299)	(18,573)	(18,852)	(19,135)	(19,422)	(19,713)	(20,009)	(20,309)	(20,613)	(20,923)
Total Operating Income		324,534	329,402	334,343	339,358	344,449	349,615	354,860	360,182	365,585	371,069	376,635	382,284	388,019	393,839	399,747
Operating Expenses																
Total Expenses (excl. Reserves)		215,626	222,095	228,758	235,620	242,689	249,970	257,469	265,193	273,149	281,343	289,783	298,477	307,431	316,654	326,154
Reserves		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389
Total Operating Expense		235,426	242,192	249,156	256,325	263,704	271,300	279,119	287,168	295,453	303,982	312,762	321,800	331,104	340,682	350,542
Net Operating Income		89,108	87,210	85,187	83,033	80,745	78,315	75,741	73,015	70,132	67,087	63,873	60,484	56,914	53,157	49,204
Less Primary Debt Service		58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940	58,940
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		30,168	28,270	26,247	24,093	21,805	19,375	16,801	14,075	11,192	8,147	4,933	1,544	(2,026)	(5,783)	(9,736)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	2,026	5,783	9,736
Net Cash		30,168	28,270	26,247	24,093	21,805	19,375	16,801	14,075	11,192	8,147	4,933	1,544	0	0	0
DCR		151.18%	147 96%	144.53%	140.88%	136.99%	132.87%	128.50%	123.88%	118.99%	113.82%	108.37%	102.62%	96.56%	90.19%	83.48%
Cumulative Cash Flow																
Beginning Balance		0	30,470	59,632	87,334	113,415	137,706	160,029	180,198	198,018	213,282	225,776	235,274	241,539	244,344	243,447
Deposits		30,168	28,270	26,247	24,093	21,805	19,375	16,801	14,075	11,192	8,147	4,933	1.544	0	0	0
Interest	2.0%	302	892	1,455	1,988	2,486	2,948	3,369	3,745	4,072	4,347	4,565	4,721	4,831	4,887	4,869
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	(2,026)	(5,783)	(9,736)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		30,470	59,632	87,334	113,415	137,706	160,029	180,198	198,018	213,282	225,776	235,274	241.539	244,344	243,447	238,580
Cumulative Replacement Reserves																
Beginning Balance		0	19,998	40,696	62,112	84,266	107,176	130,864	155,347	180,649	206,790	233,791	261,675	290,465	320,185	350,857
Deposits		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389
Interest	2.0%	198	601	1,018	1,449	1,895	2,357	2,834	3,327	3,836	4,362	4,906	5,467	6,046	6,644	7,261
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		19,998	40,696	62,112	84,266	107,176	130,864	155,347	180,649	206,790	233,791	261,675	290,465	320,185	350,857	382,507
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		89,108	87,210	85,187	83,033	80,745	78,315	75,741	73,015	70,132	67,087	63,873	60,484	56,914	53,157	49,204
Plus Reserves		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389
Less Interest Expense		(51,971)	(51,449)	(50,888)	(50,284)	(49,635)	(48,938)	(48,188)	(47,382)	(46,516)	(45,584)	(44,583)	(43,507)	(42,350)	(41,107)	(39,770)
Less Long Depreciation		(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)	(259,209)
Less Short Depreciation		(8,304)	(8,304)	(8,304)	(8,304)	(8,304)	(8,304)	(8,304)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(210,576)	(211,654)	(212,814)	(214,058)	(215,388)	(216,804)	(218,309)	(211,601)	(213,288)	(215,067)	(216,940)	(218,908)	(220,971)	(223,130)	(225,386)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		73,701	74,079	74,485	74,920	75,386	75,881	76,408	74,060	74,651	75,273	75,929	76,618	77,340	78,096	78,885
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000					
After Tax Cash Flow		673,701	674,079	674,485	674,920	675,386	675,881	676,408	674,060	674,651	675,273	75,929	76,618	77,340	78,096	78,885
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		673,701	674,079	674,485	674,920	675,386	675,881	676,408	674,060	674,651	675,273	75,929	76,618	77,340	78,096	78,885
Future Value of Cash Flows at Yr 15:		1,614,565	1,524,028	1,438,628	1,358,073	1,282,084	1,210,401	1,142,778	1,074,350	1,014,425	957,888	101,610	96,728	92,113	87,748	83,618
Discount Rate:	3.00%															
Capital Contribution Number:	1	2	3													
Date of Capital Contribution:	30-Jun-11	30-Apr-12	31-Jul-12													
Amount of Capital Contribution:	100	3,840,738	960,184													
Present Value of Contributions:	100	3,744,353	928,939													
Cash Flows	(4,673,392)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,079,036
IRR:	7.10%															
Equity Yield:	(0.7868)															



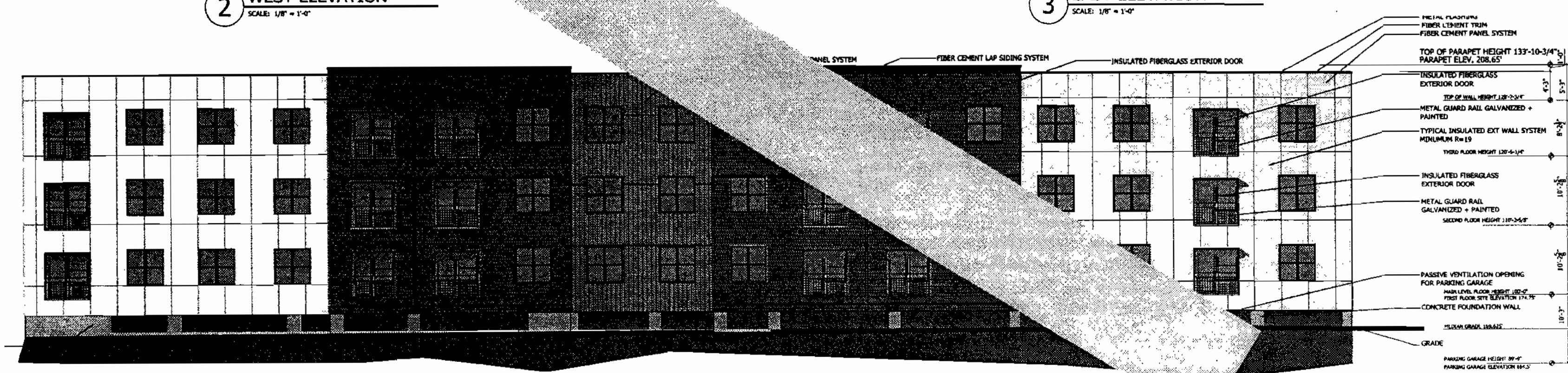
1 SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



2 WEST ELEVATION
SCALE: 1/8" = 1'-0"



3 EAST ELEVATION
SCALE: 1/8" = 1'-0"



4 NORTH ELEVATION
SCALE: 1/8" = 1'-0"

Scott + Partners
ARCHITECTS
20 main street essex junction vermont 05452
p. 802.879.5153 f. 802.872.2764
architecture planning interiors

project:
VILLAGE AT LEDDY PARK
1193 NORTH AVENUE, BURLINGTON, VERMONT

drwg. title:
FAMILY HOUSING
DESIGN DEVELOPMENT PROGRESS SET

scale: AS NOTED
project no. 09-768
checked by:
drawn by:
date. 01/18/2010
file name:

date	revisions
1/26/10	DD
2/08/10	DD
2/10/10	DD
2/15/10	DD
2/19/10	DD
4/20/10	DD
4/27/10	DD
5/03/10	DD

sheet title:
PRELIMINARY ELEVATIONS

sheet no
A4.1

Stanislaus Housing, West Rutland 6/17/10

		Check all Applicable							A					B						C					
Building #	Unit #	HOME Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage (NET)	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
														<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
95 Barnes Street	1			1					1	660	625	29	654			1						1			
(School)	2			1	1				1	660	600	29	629			1						1			
	3			1	1				1	635	600	29	629			1						1			
	4	1		1	1				2	570	625	44	669	1							1				
	5	1		1	1				2	660	625	44	669			1						1			
	6	1		1	1				2	740	675	44	719			1						1			
	7	1		1	1				1	660	675	29	704			1						1			
	8			1	1				1	600	600	29	629			1						1			
	9	1		1	1				1	455	540	29	569	1							1				
	10	1		1	1				2	840	675	44	719			1						1			
	11	1		1	1				2	870	675	44	719			1						1			
	12	1		1					1	460	540	29	569	1							1				
113 Barnes Street	1			1	1				1	520	600	29	629			1						1			
(Convent)	2			1	1	1			2	810	675	44	719			1						1			
	3			1	1				2	925	675	44	719			1						1			
	4			1	1				2	710	625	44	669		1						1				
	5			1	1				2	815	675	44	719			1						1			
259 Marble Street	1				1				1	345	550	29	579				1							1	
	2			1	1	1			1	450	500	29	529		1						1				
	3			1	1				3	980	700	59	759		1						1				
	4		1	1	1				3	750	700	59	759		1						1				
Total # Units		**8**	**1**	**20**	**19**	**2**	**0**	**0**	**Totals:**	**14,115**	**13,155**		**Total # Units:**	**3**	**4**	**13**	**1**	**0**	**0**	**0**	**7**	**13**	**0**	**1**	**0**

17-Jun-10 **Stanislaus Housing, West Rutland**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
School (95 Barnes Street)						
1 Br	60%	660	1	625	29	7,500
1 Br	60%	660	1	600	29	7,200
1 Br	50%	660	1	600	29	7,200
1 Br	60%	660	1	625	29	7,500
1 Br	50%	460	1	540	29	6,480
1 Br	60%	635	1	600	29	7,200
1 Br	50%	455	1	540	29	6,480
1 Br	60%	570	1	625	44	7,500
2 Br	60%	600	1	625	44	7,500
2 Br	60%	740	1	675	44	8,100
2 Br	60%	840	1	675	44	8,100
2 Br	60%	870	1	675	44	8,100
Convent (113 Barnes Street)						
1 Br	60%	520	1	600	29	7,200
2 Br	60%	810	1	675	44	8,100
2 Br	60%	925	1	675	44	8,100
2 Br	50%	710	1	625	44	7,500
2 Br	60%	815	1	675	44	8,100
259 Marble						
1 Br	50%	450	1	500	29	6,000
3 Br	50%	980	1	700	59	8,400
3 Br	50%	750	1	700	59	8,400
	Totals		20			150,660

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
School (95 Barnes Street)						
	80%					0
259 Marble						
1 Br	80%	345	1	550	29	6,600
	Totals		1			6,600
All Units	**Grand Total**	**13,455**	**21**			**157,260**

Less Vacancy	5.00%			(7,863)
			NET RENT	149,397
OTHER INCOME				
Commercial Space	250 p/mo	80%		2,400
Laundry				0
Other	interest			250
			TOTAL INC	152,047

School SF	7,810
Convent SF	3,780
259 Marble SF	3,275
	14,865

17-Jun-10	Stanislaus Housing, West Rutland

Total Residential Units:	21	Increase in Income from Rental Units:	1.5%
Housing Credit Restricted Units:	20	Increase in Income from Other Sources:	1.5%
Percent Restricted:	95%	Increase in Income from Commercial:	0%
Total Development Cost:	4,653,820	Expense increase:	3.0%
Total Development Cost per Unit:	221,610	Vacancy Rate:	5.0%
Total Development Cost Per SF:	346	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	27.5
Historic Credit	600,000	Short Depreciation Schedule:	5
State Credit	**59,000**		
Max Credit	133,924		
HC Credit Allocated	**131,000**		
LIHTC - 4%	3.35%	DCR Yr 1 & 15 N/A	N/A
LIHTC - 4%	3.35%	June 2010	

SOURCES		% TDC	Interest Rate	Amortization	Term
HOME	315,000	6.77%	0.00%	30	deferred
VHCB	425,000	9.13%	0.00%	30	deferred
VHCB NSP	1,248,000	26.82%	0.00%	30	deferred
EVT energy funds	170,000	3.65%	0.00%	30	deferred
State Credit	253,700	5.45%		GP Captial Contribution	
Lead Loan	25,000	0.54%	0.00%	30	deferred
VHCB Feasiblity	10,000	0.21%		GP Captial Contribution	
Existing Marble ST VHCB - VCDP	482,120	10.36%	0.00%	30	deferred
Efficiency VT	10,000	0.21%		GP Captial Contribution	
TCAP	691,546	14.86%			
Tax Credit Equity (LP Cap Contrib)	1,023,454	21.99%			Equity
TOTAL SOURCES	4,653,820	100.00%			

USES		
Acquisition	932,120	20.03%
Construction Hard Costs	2,681,900	57.63%
Soft Costs	1,039,800	22.34%
TOTAL USES	4,653,820	100.00%
VHFA Construction Loan	**2,415,000**	52% tax exempt
Gap	0	

General Partner's Capital Contribution	0	0.90%
Limited Partner's Capital Contribution	0	99.90%
Total Equity	0	

APPLICABLE FRACTION CALCULATION
See botom of Credit Calc page

Stanislaus Housing, West Rutland

17-Jun-10

#	USES OF FUNDS ACQUISITION	Budget Total	Per Unit	Per s.f.	VHCB Terms:_____	HOME Terms:____	Equity Terms:_____	VHCB NSP	VHCB & HOME Existing	EVT	Eff VT, Feas, Lead
1	Land	130,000	6,190	9.66	90,000				40,000		
2	Buildings	794,120	37,815		335,000		17,000		442,120		
3	Property Appraisal	3,000	143	0.22				500			2,500
4	Legal - Title and Recording	5,000	238	0.37			1,655	3,345			
5	**Subtotal - Acquisition**	932,120	44,387	69.28							
6	CONSTRUCTION HARD COSTS										
7	Construction	2,184,041	104,002	162.32		112,500	1,352,300	709,241			10,000
8	Construction Contingency	231,654	11,031	17.22			231,654				
9	Lead abatement	25,000	1,190	1.86							25,000
10	Hazardous Mat Abatement	10,705	510	0.80		5,000		5,705			
11	Asbestos Abatement & Testing	42,500	2,024	3.16		10,000		32,500			
12	Engery Efficiency Work	170,000	8,095	12.63						170,000	
13	Furnishings, Fixtures, & Equipment	18,000	857	1.34			9,933	8,067			
14	Other (Vacancy Operating Losses)	0	0	0.00				0			
15	**Subtotal - Hard Costs**	2,681,900	127,710	199.32							
16	SOFT COSTS										
17	Architectural	200,000	9,524	14.86			24,484	168,016			7,500
18	Testing	2,500	119	0.19				2,500			
19	Legal/Accounting	24,500	1,167	1.82				24,500			
20	Cost Certification	6,500	310				6,000	500			
21	Relocation	44,000	2,095	3.27			13,500	30,500			
22	Environmental Assessment	4,000	190	0.30		1,655		2,345			
23	Survey / Topo	5,700	271	0.42				5,700			
24	Permits/Fees	20,000	952	1.49				20,000			
25	Market Study	3,000	143	0.22				3,000			
26	Construction Period Insurance	14,500	690	1.08				14,500			
27	Construction Interest	75,000	3,571	5.57			49,664	25,336			
28	Loan Origination Fee	0	0	0.00				0			
29	Taxes During Construction	10,000	476	0.74				10,000			
30	Clerk of the Works	0	0	0.00				0			
31	Marketing	10,000	476	0.74			10,000				
32	VHFA Tax Credit Fees	5,600	267	0.42				5,600			
33	Inspection Fees	4,000	190	0.30				4,000			
34	Soft Cost Contingency	15,000	714	1.11			15,000				
35	Permanent Loan Origination Fee	0	0	0.00				0			
36	Lenders Counsel's Fee	6,500	310	0.48				6,500			
37	Historic Consultant & Fees	7,500	357	0.56		5,000		2,500			
38	Other (_CNA_)	2,000	95	0.15			2,000				
39	SYNDICATION COSTS										
40	LP Legal	1,500	71	0.11			1,470	30			
41	Bridge Loan Fees and Expenses	20,000	952	1.49			13,244	6,756			
42	Syndication Consultant	2,500	119	0.19			2,500				
43	Tax Opinion	0	0	0.00							
44	DEVELOPER'S FEES										
45	Developer's Fees	354,500	16,881	26.35		180,845	52,222	121,433			
46	Other Partnership	0	0	0.00				0			
47	Consultant Fees	68,000	3,238	5.05			33,074	34,926			
48	RESERVES										
49	Operating Rerserve	60,000	2,857	4.46			60,000				
50	Rent-up (Deficit Escrow) Reserve	35,000	1,667	2.60			35,000				
51	Other Operating Reserves	0	0	0.00							
52	Sinking Fund	0	0	0.00				0			
53	Replacement Reserves	38,000	1,810	2.82			38,000				
54	**Subtotal - Soft Costs**	1,039,800	49,514	77.28							
55	**TOTAL DEVELOPMENT COSTS**	**4,653,820**	221,610	345.88	425,000	315,000	1,968,700	1,248,000	482,120	170,000	45,000

Stanislaus School and Convent — USES OF FUNDS	Budget Total	School	Convent House	Per Unit	Per s.f.
ACQUISITION					
Land	90,000	59,597	30,403	5,294	7.77
Buildings	335,000	221,834	113,166	19,706	28.90
Property Appraisal	2,000	1,324	676	118	0.17
Legal - Title and Recording	4,000	2,649	1,351	235	0.35
Subtotal - Acquisition	431,000	285,405	145,595	25,353	37.19
CONSTRUCTION HARD COSTS					
Construction	2,099,541	1,390,300	709,241	123,502	181.15
Construction Contingency @ 10%	209,954	139,030	70,924	12,350	18.12
Lead abatement	25,000	16,555	8,445	1,471	2.16
Hazardous Mat Abatement	10,705	7,089	3,616	630	0.92
Asbestos Abatement & Testing	42,500	28,143	14,357	2,500	3.67
Energy Efficency Work	170,000	112,573	57,427	10,000	14.67
Furnishings, Fixtures, & Equipment	18,000	11,919	6,081	1,059	1.55
Other (Vacancy Operating Losses)		0	0	0	0.00
Subtotal - Hard Costs	2,575,700	1,705,609	870,091	151,512	222.23
SOFT COSTS					
Architectural	190,000	125,817	64,183	11,176	16.39
Testing	2,500	1,655	845	147	0.22
Legal/Accounting	20,000	13,244	6,756	1,176	1.73
Cost Certification	5,500	3,642	1,858	324	0.47
Relocation	32,000	24,000		1,882	2.76
Environmental Assessment	3,500	2,318	1,182	206	0.30
Survey / Topo	5,700	3,774	1,926	335	0.49
Permits/Fees	20,000	13,244	6,756	1,176	1.73
Market Study	3,000	1,987	1,013	176	0.26
Construction Period Insurance	14,500	9,602	4,898	853	1.25
Construction Interest	75,000	49,664	25,336	4,412	6.47
Loan Origination Fee		0	0	0	0.00
Taxes During Construction	10,000	6,622	3,378	588	0.86
Clerk of the Works	0	0	0	0	0.00
Marketing	10,000	6,622	3,378	588	0.86
VHFA Tax Credit Fees	5,600	3,708	1,892	329	0.48
Inspection Fees	4,000	2,649	1,351	235	0.35
Soft Cost Contingency	10,000	6,622	3,378	588	0.86
Permanent Loan Origination Fee	0	0	0	0	0.00
Lenders Counsel's Fee	6,500	4,304	2,196	382	0.56
Historic Consultant & Fees	7,500	4,966	2,534	441	0.65
Other (_CNA_)	2,000	1,324	676	118	0.17
SYNDICATION COSTS					
LP Legal	1,500	993	507	88	0.13
Bridge Loan Fees and Expenses	20,000	13,244	6,756	1,176	1.73
Syndication Consultant	2,500	1,655	845	147	0.22
Tax Opinion	0	0	0	0	0.00
DEVELOPER'S FEES					
Developer's Fees	340,000	225,145	114,855	20,000	29.34
Other Partnership		0	0	0	0.00
Consultant Fees	65,000	43,043	21,957	3,824	5.61
RESERVES					
Operating Rerserve	60,000	39,732	20,268	3,529	5.18
Rent-up (Deficit Escrow) Reserve	35,000	23,177	11,823	2,059	3.02
Other Operating Reserves		0	0	0	0.00
Sinking Fund		0	0	0	0.00
Replacement Reserves	10,000	6,622	3,378	588	0.86
Subtotal - Soft Costs	961,300	639,375	313,925	56,547	82.94
TOTAL DEVELOPMENT COSTS	3,968,000	2,630,389	1,329,611	233,412	342.36

259 Marble ST — USES OF FUNDS	Budget Total	Per Unit	Per s.f.
ACQUISITION			
Land	40,000	10,000	12.21
Buildings	459,120	114,780	140.19
Property Appraisal	1,000	250	0.31
Legal - Title and Recording	1,000	250	0.31
Subtotal - Acquisition	501,120	125,280	153.01
CONSTRUCTION HARD COSTS			
Construction	84,500	21,125	25.80
Construction Contingency	21,700	5,425	6.63
Lead abatement		0	0.00
Hazardous Mat Abatement		0	0.00
Asbestos Abatement & Testing		0	0.00
		0	0.00
Furnishings, Fixtures, & Equipment		0	0.00
Other (Vacancy Operating Losses)		0	0.00
Subtotal - Hard Costs	106,200	26,550	32.43
SOFT COSTS			
Architectural	10,000	2,500	3.05
Testing		0	0.00
Legal/Accounting	4,500	1,125	1.37
Cost Certification	1,000	250	0.31
Relocation	12,000	3,000	3.66
Environmental Assessment	500	125	0.15
Survey / Topo		0	0.00
Permits/Fees		0	0.00
Market Study		0	0.00
Construction Period Insurance		0	0.00
Construction Interest		0	0.00
Loan Origination Fee		0	0.00
Taxes During Construction		0	0.00
Clerk of the Works		0	0.00
Marketing		0	0.00
VHFA Tax Credit Fees		0	0.00
Inspection Fees		0	0.00
Soft Cost Contingency	5,000	1,250	1.53
Permanent Loan Origination Fee		0	0.00
Lenders Counsel's Fee		0	0.00
Historic Consultant & Fees		0	0.00
Other (_CNA_)		0	0.00
SYNDICATION COSTS			
LP Legal		0	0.00
Bridge Loan Fees and Expenses		0	0.00
Syndication Consultant		0	0.00
Tax Opinion		0	0.00
DEVELOPER'S FEES		0	
Developer's Fees	14,500	3,625	4.43
Other Partnership		0	0.00
Consultant Fees	3,000	750	0.92
RESERVES			
Operating Rerserve		0	0.00
Rent-up (Deficit Escrow) Reserve		0	0.00
Other Operating Reserves		0	0.00
Sinking Fund		0	0.00
Replacement Reserves	28,000	7,000	8.55
Subtotal - Soft Costs	78,500	19,625	23.97
TOTAL DEVELOPMENT COST!	685,820	171,455	209.41

No.	Stanislaus Housing, West Rutland	17-Jun-10	Stanislaus School				Convent House			
		TOTAL BUDGET	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Basis	Acquisition Basis	Construction Basis	Depreciation	Historic basis
	School & Convent									
1	Land	90,000								
2	Stanislaus & Convent	335,000	221,834		221,834		113,166		113,166	
3										
4					0				0	
5	Property Appraisal	2,000	1,324		1,324		676		676	
	Legal - Title and Recording	4,000	2,649		2,649		1,351		1,351	
6	**Subtotal - Acquisition**									
	CONSTRUCTION HARD COSTS									
7	Construction	2,099,541		1,390,300	1,390,300	1,280,300		709,241	709,241	664,241
8									0	0
9									0	0
10									0	
11										
12									0	
13	Construction Contingency	209,954		139,030	139,030	139,030		70,924	70,924	70,924
14	Lead abatement	25,000		16,555	16,555	16,555		8,445	8,445	8,445
15	Hazardous Mat Abatement	10,705		7,089	7,089	7,089		3,616	3,616	3,616
16	Asbestos Abatement & Testing	42,500		28,143	28,143	28,143		14,357	14,357	14,357
17	Engery Efficiency Work	170,000		112,573	112,573			57,427	57,427	
18	Furnishings, Fixtures, & Equipment	18,000		11,919	11,919			6,081	6,081	
19	Other (Vacancy Operating Losses)	0		0	0			0	0	
20	**Subtotal - Hard Costs**								0	0
	SOFT COSTS									0
23	Architectural	190,000		125,817	125,817	125,817		64,183	64,183	64,183
24	Testing	2,500		1,655	1,655	1,655		845	845	845
25	Legal/Accounting	20,000		13,244	13,244	13,244		6,756	6,756	6,756
26				0	0	0		0	0	
27	Cost Certification	5,500		3,642	3,642	3,642		1,858	1,858	1,858
28	Relocation	32,000		32,000	32,000	32,000			0	0
29	Environmental Assessment	3,500		2,318	2,318	2,318		1,182	1,182	1,182
30	Survey / Topo	5,700		3,774	3,774	3,774		1,926	1,926	1,926
31	Permits/Fees	20,000		13,244	13,244	13,244		6,756	6,756	6,756
32	Market Study	3,000		1,987	1,987	1,987		1,013	1,013	1,013
33	Construction Period Insurance	14,500		9,602	9,602	9,602		4,898	4,898	4,898
34	Construction Interest	75,000		49,664	49,664	49,664		25,336	25,336	25,336
35	Loan Origination Fee	0		0	0	0		0	0	0
36	Taxes During Construction	10,000		6,622	6,622	6,622		3,378	3,378	3,378
37	Clerk of the Works	0		0	0	0		0	0	0
38	Marketing	10,000								
39	VHFA Tax Credit Fees	5,600								
40	Inspection Fees	4,000		2,649	2,649	2,649		1,351	1,351	1,351
41	Soft Cost Contingency	10,000		6,622	6,622	6,622		3,378	3,378	3,378
42	Permanent Loan Origination Fee	0		0	0	0		0		0
43	Lenders Counsel's Fee	6,500		4,304	4,304	4,304		2,196	2,196	2,196
44	Historic Consultant & Fees	7,500		4,966	4,966	4,966		2,534	2,534	2,534
45	Other (_CNA_)	2,000								
	SYNDICATION COSTS									
46	LP Legal	1,500								
47	Bridge Loan Fees and Expenses	20,000								
48	Syndication Consultant	2,500								
49	Tax Opinion	0								
	DEVELOPER'S FEES									
50	Developer's Fees	340,000		225,145	225,145	225,145		114,855	114,855	114,855
48	Other Partnership Fees for Reserves	0		0	0	0		0	0	0
49	Consultant Fees	65,000		43,043	43,043	43,043		21,957	21,957	21,957
	RESERVES									
50	Working Capital	60,000								
51	Rent-up (Deficit Escrow) Reserve	35,000								
52	Other Operating Reserves	0		0				0		
53	Sinking Fund	0		0				0		
54	Replacement Reserves	10,000								
55	**Subtotal - Soft Costs**									
	TOTAL DEVELOPMENT COSTS	**3,968,000**	225,808	2,255,907	2,469,795	2,021,415	115,192	1,134,493	1,243,605	1,025,985
	LESS: Amount of Non-qualified Financing		0				0			
	LESS: Adjustment for per unit cost limits	0%		0	Historic Credit	404,283		0	toric Credit	205,197
	LESS: Historic tax Credit (Residential Portion)			404,283				205,197		
	Total Eligible Basis		225,808	1,851,624			115,192	929,296		
	TIMES: Adjusted for QCT/DDA	**130.0%**		2,407,111	**130.00%**			1,208,085	**130.00%**	
	TIMES: Applicable Fraction		225,808	2,407,111	**100.00%**		115,192	1,208,085	**100.00%**	
	Total Qualified Basis		225,808	2,407,111			115,192	1,208,085		
	TIMES: Applicable Percentage		3.35%	3.35%			3.35%	3.35%		
	Total Annual Credit Qualified		0	80,638			0	40,471		
			TOTAL HC'S	80,638			TOTAL HC'S	40,471		

259 Marble ST

USES OF FUNDS		259 Marble ST Acquisition Basis	Construction Basis	Depreciation	Depreciation
Land	40,000				
Buildings	459,120	353,978		353,978	105,142
Property Appraisal	1,000				
Construction	84,500		65,149	65,149	19,351
Construction Contingency	21,700		16,731	16,731	4,969
Lead abatement	0		0	0	0
Hazardous Mat Abatement	0		0	0	0
Asbestos Abatement & Testing	0		0	0	0
0	0		0	0	
ings, Fixtures, & Equipment	0		0	0	
(Vacancy Operating Losses)	0		0	0	
Architectural	10,000		7,710	7,710	2,290
Testing	0		0	0	0
Legal/Accounting	4,500		3,469	3,469	1,031
Cost Certification	1,000			0	
Relocation	12,000		9,252	9,252	2,748
Environmental Assessment	500		385	385	115
Survey / Topo	0		0	0	0
Permits/Fees	0		0	0	0
Market Study	0		0	0	0
onstruction Period Insurance	0		0	0	0
Construction Interest	0		0	0	0
Loan Origination Fee	0		0	0	0
Taxes During Construction	0		0	0	0
Clerk of the Works	0		0	0	0
Marketing	0		0	0	0
VHFA Tax Credit Fees	0		0	0	0
Inspection Fees	0		0	0	0
Soft Cost Contingency	5,000		3,855	3,855	1,145
anent Loan Origination Fee	0		0	0	0
Lenders Counsel's Fee	0		0	0	0
Historic Consultant & Fees	0		0	0	0
Other (_CNA_)	0		0	0	0
SYNDICATION COSTS	0		0	0	0
LP Legal	0		0	0	0
dge Loan Fees and Expenses	0		0	0	0
Syndication Consultant	0		0	0	0
Tax Opinion	0		0	0	0
DEVELOPER'S FEES	0		0	0	0
Developer's Fees	14,500		11,179	11,179	3,321
Other Partnership	0		0	0	0
Consultant Fees	3,000		2,313	2,313	687
RESERVES	0				
Operating Rerserve	0				
Rent-up (Deficit Escrow) Reserve	0				
Other Operating Reserves	0				
Sinking Fund	0				
Replacement Reserves	28,000				
Subtotal - Soft Costs	78,500				
TOTAL DEVELOPMENT COSTS	685,820				
		353,978	120,044	474,022	35,656
		0			
			0		35,656
			0		
		353,978	120.044		
			156,057		
		265,484	117,042	75.00%	
		265,484	117,042		
		3.35%	3.35%		
		8,894	3,921		
		TOTAL HC	12,815		

Total Allocated Tax Credits	131,000
Estimated Net Syndication Proceeds (excluding historic credit equity)	474,922
Estimated Yield - Housing Credit Syndicatioı	36.29%
Equity Gap	1,166,468
Credits Needed to fill Equity Gap	321,752

548,532

Stanislaus School		Convent House		259 Marble ST	
2,469,795	Long Term Depreciable Basis	1,243,605	Long Term Depreciable Basis	474,022	Long Term Depreciable Bas
27.5	Depreciation Schedule	27.5	Depreciation Schedule	40.0	Depreciation Schedule
89,811	Annual Depreciation	45,222	Annual Depreciation	11,851	Annual Depreciation
0	Mid Ter m Depreciation	0	Mid Ter m Deprecitation	0	Mid Ter m Depreciation
15	Depreciation Schedule	15	Depreciation Schedule	15	Depreciation Schedule
0	Annual Depreciation	0	Annual Depreciation	0	Annual Depreciation
11,919	Short Term Depreciable Basis	6,081	Short Term Depreciable Basis	0	Short Term Depreciable Ba:
5	Depreciation Schedule	5	Depreciation Schedule	5	Depreciation Schedule
2,384	Annual Depreciation	1,216	Annual Depreciation	0	Annual Depreciation

Total Housing Credit	133,924
Total Long Depreciation	146,883
Total Short Depreciation	3,600

COST ALLOCATION	Cost	Percent of Total	
Stanislaus School	1,390,300	63.56%	66.22%
Convent House	709,241	32.42%	33.78%
259 Marble ST	88,000	4.02%	
Total Cost Feet	2,187,541	100.00%	

2,099,541

259 Marble SF Allocation		
Residential	2,525	77.10%
Commercial	750	22.90%
Total Square Feet	3,275	100.00%

APPLICABLE FRACTION CALC

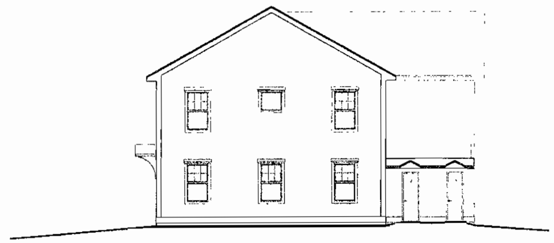
	UNITS	Square footage
Housing Credit Units	12	#
Total Units	12	#
Applicable Fraction	100.00%	#
Housing Credit Units	5	#
Total Units	5	#
Applicable Fraction	100.00%	#
259 Marble		
Housing Credit Units	3	#
Total Units	4	#
Applicable Fraction	75.00%	#

NEWPORT FAMILY HOUSING
PROPOSED NEW UNIT ELEVATIONS

17 JUNE 2010

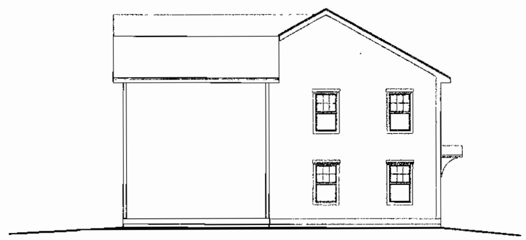
BANWELL ARCHITECTS

04 EAST ELEVATION (3 UNIT)
SCALE: 1/8"=1'-0"



02 NORTH ELEVATION (3 UNIT)
SCALE: 1/8"=1'-0"

03 WEST ELEVATION (3 UNIT)
SCALE: 1/8"=1'-0"



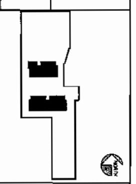
01 SOUTH ELEVATION (3 UNIT)
SCALE: 1/8"=1'-0"

BANWELL ARCHITECTS
THE CARRIAGE HOUSE
6 SOUTH PARK STREET
LEBANON, NH 03766
T 603 448 3778
F 603 443 5555
E staff@banwell-architects.com

CONSULTANTS

REVISION	DATE	COMMENTS

KEY PLAN



PROJECT
ADDITION & ALTERATIONS TO:
NEWPORT HOUSING
NEWPORT, VT 05855

ISSUED
PROGRESS

DRAWING TITLE
NEW 3 UNIT ELEVATIONS

PROJECT NO 708 | DATE: 2/08/10

SHEET NUMBER
A4.02

GENERAL NOTES:

SALVAGE ALL DOOR, WINDOW & CASED OPENING TRIM FOR REUSE.

REPLACE ALL WINDOWS.

1. EXISTING DOOR TO REMAIN FOR HISTORIC INTENT. INFILL BELOW DOOR GLASS WITH STUDS INSULATION & GWB
2. REMOVE EXISTING EXTERIOR DOOR (LEAVE TRIM) & INFILL WITH NEW WINDOW & NEW WOOD SILL
3. SALVAGE EXTERIOR DOOR TRIM FOR USE AT NEW DOOR

00 SOUTH ELEVATION DEMO
SCALE: 1/8"=1'-0"

01 EAST ELEVATION DEMO
SCALE: 1/8"=1'-0"

02 NORTH ELEVATION DEMO
SCALE: 1/8"=1'-0"

03 WEST ELEVATION DEMO
SCALE: 1/8"=1'-0"

04 PROPOSED SOUTH ELEVATION
SCALE: 1/8"=1'-0"

05 PROPOSED EAST ELEVATION
SCALE: 1/8"=1'-0"

06 PROPOSED NORTH ELEVATION
SCALE: 1/8"=1'-0"

07 PROPOSED WEST ELEVATION
SCALE: 1/8"=1'-0"

BANWELL ARCHITECTS
THE CARRIAGE HOUSE
6 SOUTH PARK STREET
LEBANON, NH 03766
T: 603 448 3778
F: 603 443 5555
E: staff@banwell-architects.com

CONSULTANTS:

REVISION	DATE	COMMENTS

KEY PLAN:

PROJECT:
ADDITION & ALTERATIONS TO:
NEWPORT HOUSING
NEWPORT, VT 05855

ISSUED:
PROGRESS

DRAWING TITLE:
ELEVATIONS

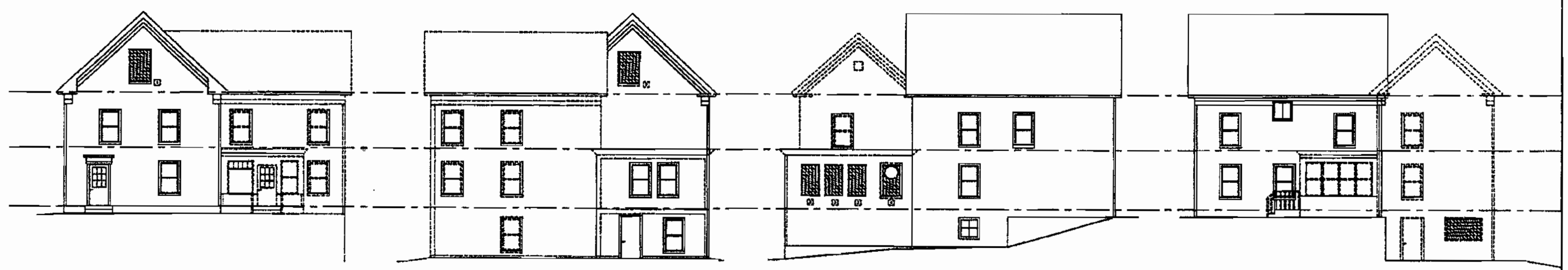
PROJECT NO: 708 | DATE: 2/08/10

SHEET NUMBER:
A3.02
SLEEPER PLACE

GENERAL NOTES:

REPLACE ALL WINDOWS.

- REMOVE BOARD COVERING, RESTORE WINDOW TRIM INSTALL NEW WINDOW
- NEW WINDOW IN EXISTING BOARDED WINDOW OPENING
- INFILL EXISTING WINDOW OPENING WITH TRIM TO MATCH EXISTING
- REMOVE EXISTING ROUND WINDOW AND WINDOW INFILL REPLACE WITH NEW WINDOW AND TRIM TO MATCH EXISTING



00 SOUTH ELEVATION DEMO
SCALE: 1/8"=1'-0"

01 NORTH ELEVATION DEMO
SCALE: 1/8"=1'-0"

02 WEST ELEVATION DEMO
SCALE: 1/8"=1'-0"

03 EAST ELEVATION DEMO
SCALE: 1/8"=1'-0"

04 PROPOSED SOUTH ELEVATION
SCALE: 1/8"=1'-0"

05 PROPOSED NORTH ELEVATION
SCALE: 1/8"=1'-0"

06 PROPOSED WEST ELEVATION
SCALE: 1/8"=1'-0"

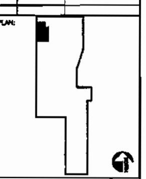
07 PROPOSED EAST ELEVATION
SCALE: 1/8"=1'-0"

BANWELL ARCHITECTS
THE CARRIAGE HOUSE
6 SOUTH PARK STREET
LEBANON, NH 03766
T: 603 448 3778
F: 603 443 5553
E: staff@banwell-architects.com

CONSULTANTS:

REVISION	DATE	COMMENTS

KEY PLAN:



PROJECT:
ADDITION & ALTERATIONS TO:
NEWPORT HOUSING
NEWPORT, VT 05855

ISSUED:
PROGRESS

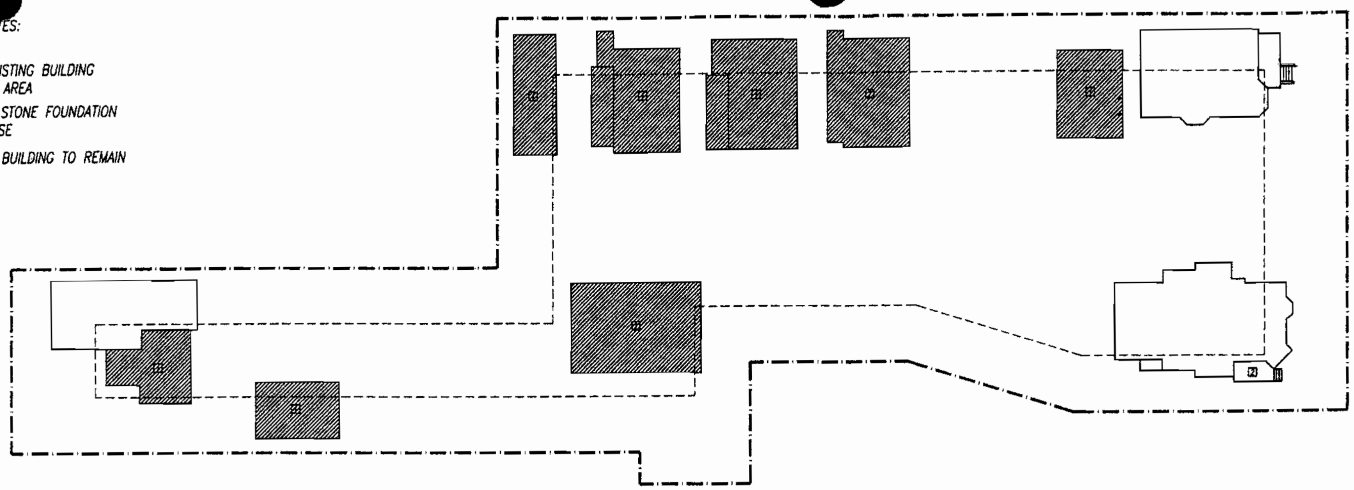
DRAWING TITLE:
ELEVATIONS

PROJECT NO: 708 | DATE: 2/08/10

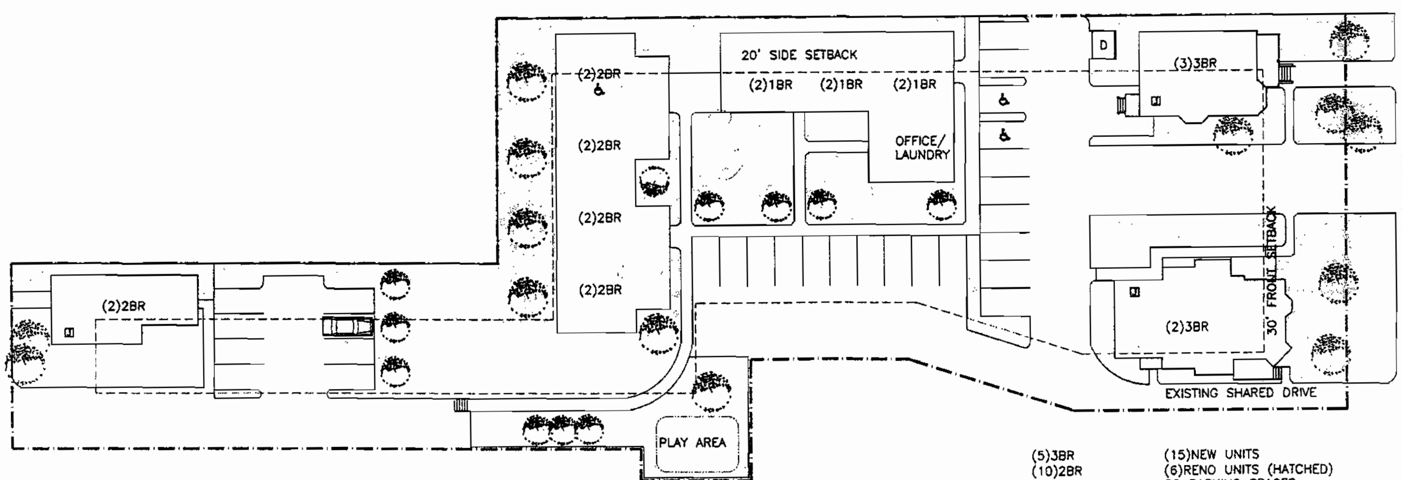
SHEET NUMBER:
A1.02
48 PLEASANT STREET

GENERAL NOTES:

1. DEMO EXISTING BUILDING HATCHED AREA
2. SALVAGE STONE FOUNDATION FOR REUSE
3. EXISTING BUILDING TO REMAIN



02 EXISTING SITE PLAN
SCALE: 1"=20'



(5)3BR
(10)2BR
(6)1BR
21 TOTAL UNITS

(15)NEW UNITS
(6)RENO UNITS (HATCHED)
28 PARKING SPACES
(4 SPACES FOR EVERY 3 UNITS)

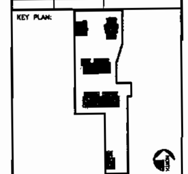
01 PROPOSED SITE PLAN
SCALE: 1"=20'

ARCHITECTS
THE CARRIAGE HOUSE
6 SOUTH PARK STREET
LEBANON, NH 03766
T: 603 448 3778
F: 603 443 5555
E: staff@banwell-architects.com

CONSULTANTS:

REVISION	DATE	COMMENTS

KEY PLAN:



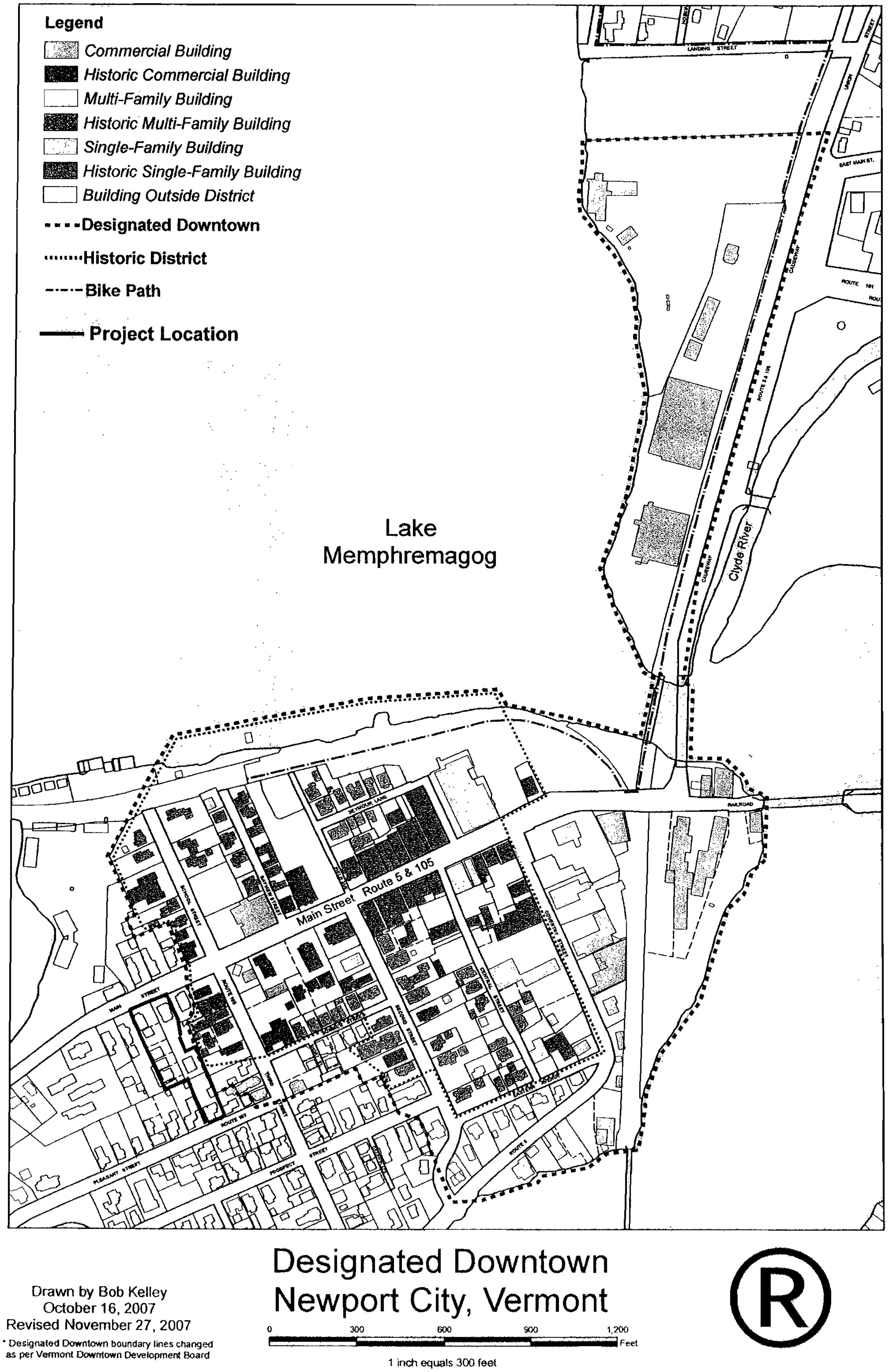
PROJECT:
ADDITION & ALTERATIONS TO:
NEWPORT HOUSING
NEWPORT, VT 05855

ISSUED:
PROGRESS

DRAWING TITLE:
SITE PLAN

PROJECT NO: 708 DATE: 5/25/10

SHEET NUMBER
1



Designated Downtown
Newport City, Vermont

Drawn by Bob Kelley
October 16, 2007
Revised November 27, 2007

* Designated Downtown boundary lines changed as per Vermont Downtown Development Board

16-Jun-10 | Newport Family Housing

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		176,508	180,921	185,444	190,080	194,832	199,703	204,695	209,813	215,058	220,434	225,945	231,594	237,384	243,318	249,401
Other Income		1,800	1,845	1,891	1,938	1,987	2,037	2,087	2,140	2,193	2,248	2,304	2,362	2,421	2,481	2,543
Vacancy and other losses		(5,295)	(5,454)	(5,618)	(5,786)	(5,960)	(6,139)	(6,323)	(6,512)	(6,708)	(6,909)	(7,116)	(7,330)	(7,550)	(7,776)	(8,010)
Total Operating Income		173,013	177,312	181,717	186,232	190,859	195,601	200,460	205,440	210,543	215,773	221,133	226,626	232,255	238,023	243,935
Operating Expenses																
Total Expenses (excl. Reserves)		126,252	130,040	133,941	137,959	142,098	146,361	150,751	155,274	159,932	164,730	169,672	174,762	180,005	185,405	190,967
Reserves		12,600	12,915	13,238	13,569	13,908	14,256	14,612	14,977	15,352	15,736	16,129	16,532	16,946	17,369	17,803
Total Operating Expense		138,852	142,955	147,179	151,528	156,006	160,616	165,364	170,251	175,284	180,466	185,801	191,295	196,951	202,775	208,771
Net Operating Income		34,161	34,357	34,539	34,704	34,853	34,984	35,096	35,188	35,259	35,307	35,332	35,331	35,304	35,249	35,164
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423	25,423
Annual Cash Flow		8,738	8,934	9,115	9,281	9,430	9,561	9,673	9,765	9,836	9,884	9,909	9,908	9,881	9,826	9,741
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		8,738	8,934	9,115	9,281	9,430	9,561	9,673	9,765	9,836	9,884	9,909	9,908	9,881	9,826	9,741
DCR		1.34	1.35	1.36	1.37	1.37	1.38	1.38	1.38	1.39	1.39	1.39	1.39	1.39	1.39	1.38
Cumulative Cash Flow																
Beginning Balance		82,138	92,606	103,481	114,767	126,437	133,490	140,816	148,402	156,233	164,292	167,561	170,920	174,345	177,812	181,292
Deposits		8,738	8,934	9,115	9,281	9,430	9,561	9,673	9,765	9,836	9,884	9,909	9,908	9,881	9,826	9,741
Interest	2.0%	1,730	1,941	2,161	2,388	2,623	2,765	2,913	3,066	3,223	3,385	3,450	3,517	3,586	3,654	3,723
Withdrawals:																
Project Operating Needs		0	0	0	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,000)
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	10	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		92,606	103,481	114,767	126,437	133,490	140,816	148,402	156,233	164,292	167,561	170,920	174,345	177,812	181,292	181,756
Cumulative Replacement Reserves																
Beginning Balance		0	12,726	26,025	39,915	54,418	69,554	85,343	101,808	118,972	136,856	155,487	174,887	195,082	216,099	237,964
Deposits		12,600	12,915	13,238	13,569	13,908	14,256	14,612	14,977	15,352	15,736	16,129	16,532	16,946	17,369	17,803
Interest	2.0%	126	384	653	934	1,227	1,534	1,853	2,186	2,533	2,894	3,271	3,663	4,071	4,496	4,937
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		12,726	26,025	39,915	54,418	69,554	85,343	101,808	118,972	136,856	155,487	174,887	195,082	216,099	237,964	260,704

16-Jun-10 **Newport Family Housing**

Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
		Check all Applicable								A					B: OCCUPIED BY: Income level of residents to be served:						C: AFFORDABLE TO: Units affordable to residents at:					
343 main	1			1	1	1				3	1,252	$ 859	$ 40	$ 899			1						1			
	2			1	1	1				3	1,252	$ 859	$ 40	$ 899			1						1			
14 sleeper	1			1	1	1				3	1,048	$ 859	$ 56	$ 915			1						1			
	2			1	1	1				3	1,048	$ 859	$ 56	$ 915			1						1			
	3			1	1	1				3	1,048	$ 859	$ 56	$ 915			1						1			
Building A1	1	1		1	1	1	1			2	924	$ 676	$ 49	$ 725		1						1				
	2	1		1	1	1				2	924	$ 676	$ 49	$ 725		1						1				
	3	1		1	1	1				2	924	$ 676	$ 49	$ 725		1						1				
	4			1	1	1				2	924	$ 676	$ 49	$ 725			1						1			
	5			1	1	1				2	924	$ 676	$ 49	$ 725			1						1			
	6			1	1	1				2	924	$ 676	$ 49	$ 725			1						1			
	7			1	1	1				2	924	$ 676	$ 49	$ 725			1						1			
	8			1	1	1				2	924	$ 676	$ 49	$ 725			1						1			
Building A2	1	1		1	1	1	1			1	808	$ 609	$ 40	$ 649		1						1				
	2	1		1	1	1				1	764	$ 609	$ 49	$ 658		1						1				
	3			1	1	1				1	764	$ 609	$ 49	$ 658			1						1			
	4			1	1	1				1	764	$ 609	$ 49	$ 658			1						1			
	5			1	1	1				1	764	$ 609	$ 49	$ 658			1						1			
	6			1	1	1				1	764	$ 609	$ 49	$ 658			1						1			
48 pleasant	1			1	1	1				2	927	$ 676	$ 49	$ 725			1						1			
	2			1	1	1				2	962	$ 676	$ 49	$ 725			1						1			
														$ -												
														$ -												
Total # Units	21									Totals:	19,557	$ 14,709	Total # Units:		0	5	16	0	0	0	0	5	16	0	0	0
										common space	2,934								<60%	21						
										Gross SF	22,491							>60%	<100%	0						
										Gross Income		$ 176,508								21						

17-Jun-10 **Stanislaus Housing, West Rutland**

	Annual	Monthly	Per Unit Per Month		Stanislaus	259 Marble
Administration						
Management Fee	14,400	1,200	57		10,980	3,420
Supportive Services	0	0	0		0	0
Audit/Accounting	3,600	300	14		3,600	0
Legal	2,500	208	10		1,500	1,000
Compliance Monitoring	1,500	125	6		1,200	300
Marketing	250	21	1		150	100
Other	200	17	1		150	50
TOTAL ADMINISTRATIVE	22,450	1,871	89		17,580	4,870
Utilities						
Electricity	5,700	475	23		5,000	700
Fuel	24,000	2,000	95		16,000	8,000
Water and Sewer	7,050	588	28		4,500	2,550
Fire Alarm / Emergency	200	17	1		0	200
Other	0	0	0		0	0
TOTAL UTILITIES	36,950	3,079	147		25,500	11,450
Maintenance						
Maintenance / Janitor Payroll	10,000	833	40		8,000	2,000
Janitor Supplies	0	0	0		0	0
Exterminating	0	0	0		0	0
Trash Removal	3,825	319	15		3,000	825
Snow Removal	2,900	242	12		2,500	400
Grounds	2,700	225	11		2,500	200
Repairs Material	2,450	204	10		2,000	450
Repairs Contract	4,000	333	16		3,500	500
HVAC Repairs / Maintenance	1,200	100	5		900	300
Elevator Contract / Repairs	1,800	150	7		1,800	0
Painting and Decorating	4,000	333	16		2,500	1,500
Other	0	0	0		0	0
TOTAL MAINTENANCE	32,875	2,740	130	per unit month	26,700	6,175
Real Estate Taxes	18,000	1,500	71	excl. ds & res	15,000	3,000
Property Insurance	7,300	608	29	467	4,500	2,800
Flood Insurance	1,500	125	6		1,500	0
Replacement Reserves	12,100	1,008	48		8,000	4,100
Other "must pay" debt service	0	0	0		0	0
Other	0	0	0		0	0
Total	131,175	10,931	521		98,780	32,395

17-Jun-10

Stanislaus Housing, West Rutland

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Income																
Gross Rent		157,260	159,619	162,013	164,443	166,910	169,414	171,955	174,534	177,152	179,810	182,507	185,244	188,023	190,843	193,706
Other Income		2,650	2,690	2,730	2,771	2,813	2,855	2,898	2,941	2,985	3,030	3,075	3,122	3,168	3,216	3,264
Vacancy and other losses		(7,863)	(7,981)	(8,101)	(8,222)	(8,346)	(8,471)	(8,598)	(8,727)	(8,858)	(8,990)	(9,125)	(9,262)	(9,401)	(9,542)	(9,685)
Total Operating Income		152,047	154,328	156,643	158,992	161,377	163,798	166,255	168,749	171,280	173,849	176,457	179,104	181,790	184,517	187,285
Operating Expenses																
Total Expenses (excl. Reserves)		119,075	122,647	126,327	130,116	134,020	138,041	142,182	146,447	150,841	155,366	160,027	164,828	169,772	174,866	180,112
GP Asset Mgmnt Fee		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	0	0	0	0	0	0	0
Reserves		12,100	12,282	12,466	12,653	12,842	13,035	13,231	13,429	13,631	13,835	14,043	14,253	14,467	14,684	14,904
Total Operating Expense		134,175	137,929	141,792	145,769	149,862	154,076	158,412	162,876	164,471	169,201	174,069	179,081	184,239	189,550	195,016
Net Operating Income		17,872	16,399	14,850	13,223	11,515	9,722	7,842	5,872	6,809	4,648	2,387	23	(2,449)	(5,033)	(7,731)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		17,872	16,399	14,850	13,223	11,515	9,722	7,842	5,872	6,809	4,648	2,387	23	(2,449)	(5,033)	(7,731)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	2,449	5,033	7,731
Net Cash		17,872	16,399	14,850	13,223	11,515	9,722	7,842	5,872	6,809	4,648	2,387	23	0	0	0
DCR		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																
Beginning Balance		60,000	78,651	96,000	111,959	126,434	139,328	150,541	159,967	167,497	176,049	182,504	186,740	188,631	188,068	184,916
Deposits		17,872	16,399	14,850	13,223	11,515	9,722	7,842	5,872	6,809	4,648	2,387	23	0	0	0
Interest	2.0%	779	950	1,109	1,252	1,379	1,491	1,584	1,658	1,743	1,807	1,849	1,868	1,886	1,881	1,849
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	(2,449)	(5,033)	(7,731)
Ending Balance		78,651	96,000	111,959	126,434	139,328	150,541	159,967	167,497	176,049	182,504	186,740	188,631	188,068	184,916	179,034
Cumulative Replacement Reserves																
Beginning Balance		38,000	50,981	63,895	77,124	90,675	52,053	65,739	79,759	94,120	108,828	39,890	54,472	69,412	84,718	100,396
Deposits		12,100	12,282	12,466	12,653	12,842	13,035	13,231	13,429	13,631	13,835	14,043	14,253	14,467	14,684	14,904
Interest	2.0%	881	633	764	898	1,035	651	790	932	1,078	1,227	539	687	839	994	1,153
Withdrawals		0	0	0	0	(52,500)	0	0	0	0	(84,000)	0	0	0	0	(105,000)
Ending Balance		50,981	63,895	77,124	90,675	52,053	65,739	79,759	94,120	108,828	39,890	54,472	69,412	84,718	100,396	11,453
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		17,872	16,399	14,850	13,223	11,515	9,722	7,842	5,872	6,809	4,648	2,387	23	(2,449)	(5,033)	(7,731)
Plus Reserves		12,100	12,282	12,466	12,653	12,842	13,035	13,231	13,429	13,631	13,835	14,043	14,253	14,467	14,684	14,904
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Bridge Loan interest		(12,000)														
Less Long Depreciation		(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)	(146,883)
Less Mid Depreciation		0	0	0	0	0	0	0	0	0	0					
Less Short Depreciation		(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(132,511)	(121,803)	(123,167)	(124,607)	(126,126)	(127,726)	(129,410)	(127,582)	(126,444)	(128,400)	(130,453)	(132,607)	(134,866)	(137,232)	(139,710)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		46,379	42,631	43,109	43,613	44,144	44,704	45,294	44,654	44,255	44,940	45,659	46,413	47,203	48,031	48,899
Plus Tax Credits		731,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000					
After Tax Cash Flow		777,379	173,631	174,109	174,613	175,144	175,704	176,294	175,654	175,255	175,940	45,659	46,413	47,203	48,031	48,899

23-Jun-10 **Susie Wilson Apartments**

Total Residential Units:	30	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	25	Increase in Income from Other Sources:	1.50%
Percent Restricted:	83.33%	Increase in Income from Commercial:	1.50%
Total Development Cost:	5,369,580	Expense increase:	3.00%
Total Development Cost per Unit:	178,986	Vacancy Rate:	5%
Total Development Cost Per SF:	191	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	350,167	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	445,000	Sponsor's Estimated Yield:	80.30%
LIHTC - 9%	9.00%	(June 2010)	
LIHTC - 4%	3.35%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	425,000	7.91%	7.00%	30	25
REEP Loan	15,000	0.28%	0.00%	30	30
HOME	400,000	7.45%	1.00%	20	int. only
VCDP	515,500	9.60%	4.00%	30	deferred
HUD edi	240,000	4.47%	0.00%	30	deferred
Other Equity	236,500	4.40%	N/A	N/A	
Tax Credit Equity	3,537,750	65.89%	N/A	N/A	
TOTAL SOURCES	5,369,750	100.00%			

USES

Acquisition	532,000	9.91%
Construction Hard Costs	4,021,000	74.88%
Soft Costs	816,580	15.21%
TOTAL USES	5,369,580	100%
Gap	(170)	

General Partner's Capital Contribution	35,378	1.00%
Limited Partner's Capital Contribution	3,502,373	99.00%
Total Equity	3,537,750	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	25
Total Units	30
Unit Fraction	83.33%
Tax Credit Square Footage	23,450
Total Residential Square Footage	28,140
Square Footage Fraction	83.33%
Applicable Fraction	83.33%

23-Jun-10 **Susie Wilson Apartments**

		Budget	Per Unit	Per s.f.	VHCB Terms:___	HOME Terms:___	VCDP Terms:___	Debt Terms:___	Equity Terms:___	Other Terms:___	TOTAL SOURCES
					Allocation of Sources						
	ACQUISITION										
1	Land	515,000	17,167	18.30							0
2	Phase One	3,500	117	0.12							0
3	Misc Closing Costs	5,000	167	0.18							0
4	Property Appraisal	4,500	150	0.16							0
5	Legal - Title and Recording	4,000	133	0.14							0
	Subtotal - Acquisition	532,000	17,733	18.91							
	CONSTRUCTION HARD COSTS										
6	Rehabilitation		0	0.00							0
7	New Building(s)	3,840,000	128,000	136.46							0
8	Accessory Buildings		0	0.00							0
9	Sitework		0	0.00							0
10	Commercial Space Costs (if any)		0	0.00							0
11	General Requirements		0	0.00							0
12	Contractor Overhead		0	0.00							0
13	Contractor Profit		0	0.00							0
14	Construction Contingency	181,000	6,033	6.43							0
15	Construction Management		0	0.00							0
16	Construction Bond Fee		0	0.00							0
17	Hazardous Materials Abatement		0	0.00							0
18	Off-Site Improvements		0	0.00							0
19	Furnishings, Fixtures, & Equipment		0	0.00							0
20	Other (__________)		0	0.00							0
	Subtotal - Hard Costs	4,021,000	134,033	142.89							
	SOFT COSTS										
21	Architectural	25,000	833	0.89							0
22	Engineering		0	0.00							0
23	Legal/Accounting	35,000	1,167	1.24							0
24	Relocation		0	0.00							0
25	Environmental Assessment		0	0.00							0
26	Energy Assessment		0	0.00							0
27	Permits/Fees	5,000	167	0.18							0
28	Independent Market Study	4,000	133	0.14							0
29	~~Construction Period Insurance~~		0	0.00							0
30	Construction Interest		0	0.00							0
31	~~Construction Loan Origination Fee~~		0	0.00							0
32	Taxes During Construction		0	0.00							0
33	Clerk of the Works	80,420	2,681	2.86							0
34	Marketing		0	0.00							0
35	Tax Credit Fees	19,710	657	0.70							0
36	Soft Cost Contingency	8,000	267	0.28							0
37	VCDP Admin Fee	10,000	333	0.36							0
38	Lender's Counsel's Fee	15,750	525	0.56							0
39	Other (Bridge Loan Interest)	30,953	1,032	1.10							0
	SYNDICATION COSTS										
40	Organizational (Partnership)		0	0.00							0
41	Bridge Loan Fees and Expenses		0	0.00							0
42	Syndication Consultant		0	0.00							0
43	Tax Opinion		0	0.00							0
	DEVELOPER'S FEES										
44	Developer's Fees	490,000	16,333	17.41							0
45	Other Partnership Fees		0	0.00							0
46	Consultant Fees		0	0.00							0
	RESERVES										
47	Working Capital		0	0.00							0
48	Rent-up (Deficit Escrow) Reserve	18,000	600	0.64							0
49	Other Operating Reserves	74,747	2,492	2.66							0
50	Sinking Fund		0	0.00							0
51	Replacement Reserves		0	0.00							0
	Subtotal - Soft Costs	816,580	27,219	29.02							
	TOTAL DEVELOPMENT COSTS	5,369,580	178,986	191	0	0	0	0	0	0	0

COST BASIS FOR DEVEL FEE	4,786,833
DEVELOPER FEE	490,000
DEVELOPER FEE %	10.24%

23-Jun-10 **Susie Wilson Apartments**

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to Date	To be Incurred	Total
	ACQUISITION									
1	Land	515,000								
2	Phase One	3,500	3,500		3,500					
3	Misc Closing Costs	5,000			5,000					
4	Property Appraisal	4,500	4,500		4,500					
5	Legal - Title and Recording	4,000	4,000		4,000					
	Subtotal - Acquisition	532,000								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	0		0	0					
7	New Building(s)	3,840,000		3,840,000	3,840,000					
8	Accessory Buildings	0		0	0					
9	Sitework	0		0	0					
10	Commercial Space Costs (if any)	0								
11	General Requirements	0		0	0					
12	Contractor Overhead	0		0	0					
13	Contractor Profit	0		0	0					
14	Construction Contingency	181,000		181,000	181,000					
15	Construction Management	0		0	0					
16	Construction Bond Fee	0		0	0					
17	Hazardous Materials Abatement	0		0	0					
18	Off-Site Improvements	0		0	0					
19	Furnishings, Fixtures, & Equipment	0		0	0					
20	Other (________________)	0		0	0					
	Subtotal - Hard Costs	4,021,000								
	SOFT COSTS									
21	Architectural	25,000		25,000	25,000					
22	Engineering	0		0	0					
23	Legal/Accounting	35,000		35,000	35,000					
24	Relocation	0		0	0					
25	Environmental Assessment	0		0	0					
26	Energy Assessment	0		0	0					
27	Permits/Fees	5,000		5,000	5,000					
28	Independent Market Study	4,000		0	4,000					
29	Construction Period Insurance	0		0	0					
30	Construction Interest	0		0	0					
31	Construction Loan Origination Fee	0		0	0					
32	~~Taxes During Construction~~	~~0~~		~~0~~	~~0~~					
33	Clerk of the Works	80,420		80,420	80,420					
34	~~Marketing~~	~~0~~								
35	Tax Credit Fees	19,710		0	19,710					
36	Soft Cost Contingency	8,000		8,000	8,000					
37	VCDP Admin Fee	10,000								
38	Lender's Counsel's Fee	15,750		0	15,750					
39	Other (Bridge Loan Interest)	30,953		0	30,953					
	SYNDICATION COSTS									
40	Organizational (Partnership)	0								
41	Bridge Loan Fees and Expenses	0								
42	Syndication Consultant	0								
43	Tax Opinion	0								
	DEVELOPER'S FEES									
44	Developer's Fees	490,000		490,000	490,000					
45	Other Partnership Fees	0		0	0					
46	Consultant Fees	0		0	0					
	RESERVES									
47	Working Capital	0								
48	Rent-up (Deficit Escrow) Reserve	18,000								
49	Other Operating Reserves	74,747								
50	Sinking Fund	0								
51	Replacement Reserves	0								
	Subtotal - Soft Costs	816,580								
	TOTALS	5,369,580	12,000	4,664,420	4,751,833	0				
	LESS: Amount of Non-qualified Financing									
	LESS: Historic tax Credit (Residential Portion)			0	0	20% Historic Credit Rate				
	Total Eligible Basis		12,000	4,664,420		0 Annual Historic Credit				
	TIMES: Adjusted for QCT/DDA	100.0%		4,664,420						
	TIMES: Applicable Fraction	83.33%	10,000	3,887,017						
	Total Qualified Basis		10,000	3,887,017	4,751,833	Long Term Depreciable Basis				
	TIMES: Applicable Percentage		3.35%	9.00%	27.5	Depreciation Schedule				
	Total Annual Credit Qualified		335	349,832	172,794	Annual Depreciation				
					0	Short Term Depreciable Basis				
					7	Depreciation Schedule				
					0	Annual Depreciation				

Total Tax Credits Requested	445,000
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	3,537,750
Estimated Yield - Housing Credit Syndication	80.30%
Equity Gap	3,537,580
Credits Needed to fill Equity Gap	444,979

23-Jun-10 **Susie Wilson Apartments**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		690	5	651	27	39,060
2 Br		1,000	20	686	41	164,640
3 Br			0	0		0
4+ Br			0	0		0
	Totals	23,450	25			203,700

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		690	1	850	27	10,200
2 Br		1,000	4	1,050	41	50,400
3 Br			0	0		0
4+ Br			0	0		0
	Totals	4,690	5			60,600

Common Area Square Footage		0				
	Grand Totals	28,140	30			264,300

Less Vacancy	5.00%	(13,215)
	NET RENT	251,085
OTHER INCOME		
Laundry		3,000
Parking		0
Commercial Space Income		0
Other		500
	TOTAL INCOME	254,585

23-Jun-10

Susie Wilson Apartments

Building #	Unit #	Check all Applicable: HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	A: Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)
	101				1			1		2	1,000	728	41	769
	102				1			1		2	1,000	728	41	769
	103						1		1	2	1,000	1,050	41	1,091
	104				1			1		2	1,000	728	41	769
	105							1	1	2	1,000	1,050	41	1,091
	106				1			1		2	1,000	728	41	769
	107				1			1		2	1,000	728	41	769
	108				1			1		2	1,000	728	41	769
	109				1			1		2	1,000	728	41	769
	110	1			1			1		2	1,000	607	41	648
	201	1			1			1		2	1,000	607	41	648
	202	1			1			1		2	1,000	607	41	648
	203	1			1			1		2	1,000	607	41	648
	204							1	1	2	1,000	1,050	41	1,091
	205				1		1			2	1,000	728	41	769
	206				1			1		2	1,000	728	41	769
	207	1			1			1		2	1,000	607	41	648
	208				1			1		2	1,000	728	41	769
	209	1			1			1		2	1,000	607	41	648
	210				1			1		2	1,000	728	41	769
	301				1			1		2	1,000	728	41	769
	302	1			1			1		2	1,000	607	41	648
	303				1			1		2	1,000	728	41	769
	304							1	1	2	1,000	1,050	41	1,091
	305	1			1			1		1	690	602	27	629
	306	1			1			1		1	690	602	27	629
	307							1	1	1	690	850	27	877
	308	1			1			1		1	690	602	27	629
	309				1			1		1	690	723	27	750
	310				1			1		1	690	723	27	750
Total # Units	30									Totals:	28,140	22,015		

Unit #	B: OCCUPIED BY: Income level of residents to be served: <30%	<50%	<60%	<80%	<100%	>100%	C: AFFORDABLE TO: Units affordable to residents at: 30%	50%	60%	65%	80%	100%+
101			1						1			
102			1						1			
103					1						1	
104			1						1			
105					1						1	
106			1						1			
107			1						1			
108			1						1			
109			1						1			
110		1						1				
201		1						1				
202		1						1				
203		1						1				
204					1						1	
205			1						1			
206			1						1			
207		1						1				
208			1						1			
209		1						1				
210			1						1			
301			1						1			
302		1						1				
303			1						1			
304					1						1	
305		1						1				
306		1						1				
307					1						1	
308		1						1				
309			1						1			
310			1						1			
Total # Units:	0	10	15	0	5	0	0	10	15	0	5	0

23-Jun-10 **Susie Wilson Apartments**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	25,000	2,083	69	9.8%
Supportive Services		0	0	
Audit/Accounting	4,500	375	13	
Legal	2,000	167	6	
Compliance Monitoring	2,592	216	7	
Marketing		0	0	
Other	26,400	2,200	73	
TOTAL ADMINISTRATIVE	60,492	5,041	168	
Utilities				
Electricity	9,000	750	25	
Fuel	20,000	1,667	56	
Water and Sewer	5,000	417	14	
Fire Alarm / Emergency	1,800	150	5	
Other	1,000	83	3	
TOTAL UTILITIES	36,800	3,067	102	
Maintenance				
Maintenance / Janitor Payroll	6,200	517	17	
Janitor Supplies		0	0	
Exterminating	300	25	1	
Trash Removal	7,500	625	21	
Snow Removal	5,000	417	14	
Grounds	3,900	325	11	
Repairs Material	9,250	771	26	
Repairs Contract	9,250	771	26	
HVAC Repairs / Maintenance	2,000	167	6	
Elevator Contract / Repairs	3,000	250	8	
Painting and Decorating		0	0	
Other	4,700	392	13	
TOTAL MAINTENANCE	51,100	4,258	142	per unit month
Real Estate Taxes	22,000	1,833	61	excl. ds & res.
Property Insurance	9,000	750	25	498
Replacement Reserves	16,360	1,363	45	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other		0	0	
Total	195,752	16,313	544	

"Below-the-Line" Expenses:

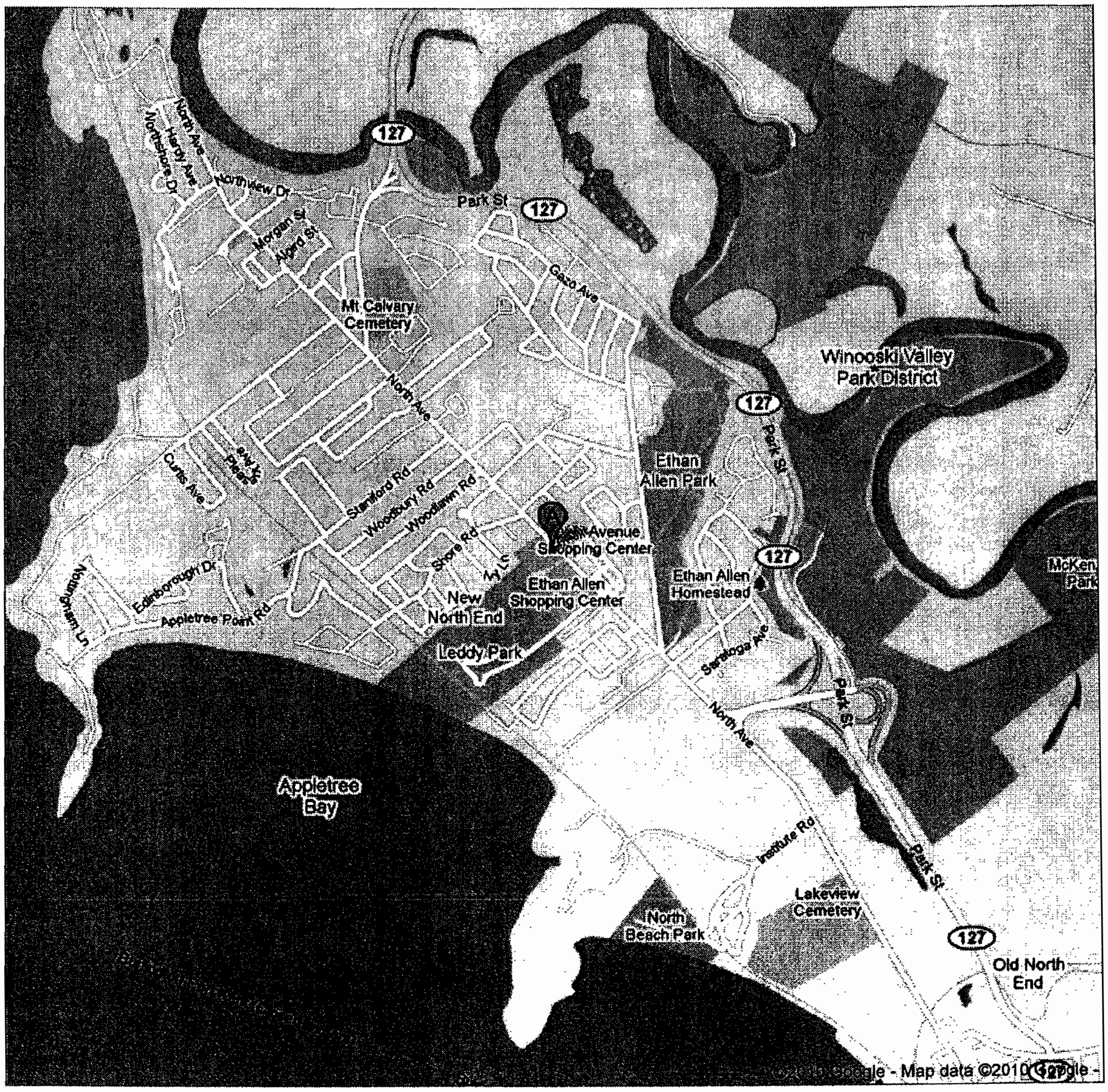
Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	195,752

23-Jun-10 **Susie Wilson Apartments**

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		264,300	268,265	272,288	276,373	280,518	284,726	288,997	293,332	297,732	302,198	306,731	311,332	316,002	320,742	325,553
Other Income		3,500	3,553	3,606	3,660	3,715	3,770	3,827	3,884	3,943	4,002	4,062	4,123	4,185	4,247	4,311
Vacancy and other losses		(13,215)	(13,413)	(13,614)	(13,819)	(14,026)	(14,236)	(14,450)	(14,667)	(14,887)	(15,110)	(15,337)	(15,567)	(15,800)	(16,037)	(16,278)
Total Operating Income		254,585	258,404	262,280	266,214	270,207	274,260	278,374	282,550	286,788	291,090	295,456	299,888	304,386	308,952	313,587
Operating Expenses																
Total Expenses (excl. Reserves)		179,392	184,774	190,317	196,026	201,907	207,964	214,203	220,630	227,248	234,066	241,088	248,320	255,770	263,443	271,346
Reserves		16,360	16,605	16,854	17,107	17,364	17,624	17,889	18,157	18,429	18,706	18,986	19,271	19,560	19,854	20,152
Total Operating Expense		195,752	201,379	207,171	213,134	219,271	225,589	232,092	238,787	245,678	252,772	260,074	267,592	275,330	283,297	291,498
Net Operating Income		58,833	57,025	55,108	53,080	50,936	48,671	46,282	43,763	41,110	38,318	35,382	32,296	29,056	25,655	22,089
Less Primary Debt Service		33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930	33,930
Less Secondary Debt Service		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Annual Cash Flow		20,903	19,094	17,178	15,150	13,006	10,741	8,352	5,833	3,180	388	(2,548)	(5,634)	(8,874)	(12,275)	(15,842)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	2,548	5,634	8,874	12,275	15,842
Net Cash		20,903	19,094	17,178	15,150	13,006	10,741	8,352	5,833	3,180	388	0	0	0	0	0
DCR		155.11%	150.34%	145.29%	139.94%	134.29%	128.32%	122.02%	115.38%	108.38%	101.02%	93.28%	85.15%	76.60%	67.64%	58.23%
Cumulative Cash Flow																
Beginning Balance		74,747	97,354	118,586	138,307	156,375	172,638	186,939	199,113	208,986	216,378	221,097	222,971	221,796	217,357	209,430
Deposits		20,903	19,094	17,178	15,150	13,006	10,741	8,352	5,833	3,180	388	0	0	0	0	0
Interest	2.0%	1,704	2,138	2,543	2,918	3,258	3,560	3,822	4,041	4,212	4,331	4,422	4,459	4,436	4,347	4,189
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	(2,548)	(5,634)	(8,874)	(12,275)	(15,842)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		97,354	118,586	138,307	156,375	172,638	186,939	199,113	208,986	216,378	221,097	222,971	221,796	217,357	209,430	197,776
Cumulative Replacement Reserves																
Beginning Balance		0	16,524	33,626	51,321	58,901	77,616	96,969	114,488	90,788	111,217	91,755	112,767	117,109	139,207	77,723
Deposits		16,360	16,605	16,854	17,107	17,364	17,624	17,889	18,157	18,429	18,706	18,986	19,271	19,560	19,854	20,152
Interest	2.0%	164	497	841	1,197	1,352	1,729	2,118	2,471	2,000	2,411	2,025	2,448	2,538	2,983	1,756
Withdrawals		0	0	0	(10,725)	0	0	(2,488)	(44,329)	0	(40,579)	0	(17,377)	0	(84,321)	0
Ending Balance		16,524	33,626	51,321	58,901	77,616	96,969	114,488	90,788	111,217	91,755	112,767	117,109	139,207	77,723	99,630
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		58,833	57,025	55,108	53,080	50,936	48,671	46,282	43,763	41,110	38,318	35,382	32,296	29,056	25,655	22,089
Plus Reserves		16,360	16,605	16,854	17,107	17,364	17,624	17,889	18,157	18,429	18,706	18,986	19,271	19,560	19,854	20,152
Less Interest Expense		(54,233)	(54,746)	(55,269)	(55,802)	(56,345)	(56,898)	(57,459)	(58,028)	(58,605)	(59,188)	(59,777)	(60,371)	(60,968)	(61,567)	(62,167)
Less Long Depreciation		(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)	(172,794)
Less Short Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(151,834)	(153,910)	(156,100)	(158,409)	(160,839)	(163,396)	(166,082)	(168,902)	(171,859)	(174,958)	(178,202)	(181,597)	(185,145)	(188,852)	(192,721)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		53,142	53,868	54,635	55,443	56,294	57,189	58,129	59,116	60,151	61,235	62,371	63,559	64,801	66,098	67,452
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000					
After Tax Cash Flow		498,142	498,868	499,635	500,443	501,294	502,189	503,129	504,116	505,151	506,235	62,371	63,559	64,801	66,098	67,452
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		498,142	498,868	499,635	500,443	501,294	502,189	503,129	504,116	505,151	506,235	62,371	63,559	64,801	66,098	67,452
Future Value of Cash Flows at Yr 15:		1,193,826	1,127,894	1,065,686	1,006,990	951,605	899,343	850,025	803,484	759,560	718,104	83,466	80,242	77,179	74,268	71,500
Discount Rate:	3.00%															
Capital Contribution Number:	1	2	3													
Date of Capital Contribution:	31-Jul-10	31-Oct-11	31-Dec-11													
Amount of Capital Contribution:	100	2,299,538	1,238,113													
Present Value of Contributions:	100	2,213,614	1,185,807													
Cash Flows	(3,399,521)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,763,171
IRR:	7.29%															
Equity Yield:	(0.77)															

Google maps Address **1193 North Ave**
Burlington, VT 05408

Notes DMV site



VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR MORRISVILLE COMMUNITY HOUSING, TOWNS OF MORRISTOWN (VILLAGE OF MORRISVILLE) AND STOWE

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Lamoille Housing Partnership, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition and rehabilitation of a total of sixteen (16) units of general occupancy rental housing in the Towns of Morristown (Village of Morrisville) and Stowe (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $193,000.00 for the Morrisville Community Housing project in the Towns of Morristown (Village of Morrisville) and Stowe, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: TCAP FINANCING FOR MORRISVILLE COMMUNITY HOUSING, TOWNS OF MORRISTOWN (VILLAGE OF MORRISVILLE) AND STOWE

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Lamoille Housing Partnership, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition and rehabilitation of a total of sixteen (16) units of general occupancy rental housing in the Towns of Morristown (Village of Morrisville) and Stowe (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the priorities for the Tax Credit Assistance Program (also known as "TCAP") have been properly adopted and accepted in the form of the TCAP Grant Agreement between the Agency and the U.S. Department of Housing and Urban Development ("HUD") dated June 24, 2009; and

WHEREAS, the TCAP funds will be used for one or more zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Sponsors qualify and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the TCAP financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsors are financially responsible and are qualified housing sponsors within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more zero percent (0%) mortgage loans for the financing of the Development using TCAP funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all requirements of the Act and the TCAP, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of TCAP funds available for the Development shall not exceed \$691,546.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and the TCAP, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR NEWPORT FAMILY HOUSING, CITY OF NEWPORT

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Gilman Housing Trust, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition, rehabilitation and new construction of a total of twenty-one (21) units of general occupancy rental housing in the City of Newport (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $390,000.00 for the Newport Family Housing project in the City of Newport, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS AND PROPOSED ALLOCATION OF VERMONT AFFORDABLE HOUSING TAX CREDITS (FY2011 STATE RENTAL CREDITS) FOR SUSIE WILSON APARTMENTS, TOWN OF ESSEX

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Champlain Housing Trust, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the new construction of thirty (30) units of general occupancy rental housing in the Town of Essex (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits and the allocation of FY2011 State Rental Credits, subject to State appropriation, contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $445,000.00 and the proposed allocation of FY2011 State Rental Credits in the amount of $55,000.00 for the Susie Wilson Apartments housing project in the Town of Essex, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: TCAP FINANCING FOR STANISLAUS HOUSING, TOWN OF WEST RUTLAND

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Trust of Rutland County, Inc. (the "Sponsor") on behalf of Stanislaus Housing Limited Partnership in which the Sponsor's subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition and rehabilitation of a total of twenty-one (21) units of general occupancy rental housing in the Town of West Rutland (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the priorities for the Tax Credit Assistance Program (also known as "TCAP") have been properly adopted and accepted in the form of the TCAP Grant Agreement between the Agency and the U.S. Department of Housing and Urban Development ("HUD") dated June 24, 2009; and

WHEREAS, the Board of Commissioners adopted a Resolution entitled "Resolution Re: Construction Financing and Proposed Use of Bond Housing Credits for Stanislaus Housing, Town of West Rutland" on November 19, 2009 (the "Prior Resolution") for the commitment of other financing and Bond Housing Credits to the Development and all or a portion of such Bond Housing Credits will be used in the financing plan for the Development and such determinations in the Prior Resolution are incorporated herein; and

WHEREAS, the TCAP funds will be used for one or more zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the TCAP financing for the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more zero percent (0%) mortgage loans to the Borrower for the financing of the Development using TCAP funds based on the recommendations in the attached Memorandum. The Commitment Letter shall be

conditioned on the satisfaction by the Borrower of all requirements of the Act and the TCAP, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of TCAP funds available for the Development shall not exceed $691,546.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and the TCAP, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION FINANCING FOR SUSIE WILSON APARTMENTS, TOWN OF ESSEX

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by The Susie Wilson Housing Company, LLC (the "Borrower") involving the new construction of thirty (30) units of general occupancy rental housing in the Town of Essex (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Borrower qualifies as a housing sponsor within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsor are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsor undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Borrower is financially responsible and is a qualified housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Borrower in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter shall be conditioned on the satisfaction by the Borrower of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR VILLAGE AT LEDDY PARK, CITY OF BURLINGTON

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Cathedral Square Corporation (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the new construction of thirty-eight (38) units of senior rental housing in the City of Burlington (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi, Cynthia Reid and Joshua Slade dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $500,000.00 for the Village at Leddy Park housing project in the City of Burlington, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Joe Erdelyi, Director of Development

DATE: June 11, 2010

RE: Request for Construction and Permanent Financing and Bond Credits: Randolph House, Randolph

Name:	Randolph House	**Location:**	Randolph
Housing Type:	Senior	**Unit Type:**	Flats
Unit Count:	48 Total 47 Housing Credit units	**Unit Sizes:**	42 one-br., avg. 576 s. f. 6 two-br., avg. 672 s. f.
Total Cost:	$2,210,650	**Per S.F. Acquisition & Construction Cost:**	$64.89
Financing Requested:	$1,582,000 Construction/Permanent, $503,000 Construction-only, both tax-exempt $68,000 in Bond credits	**Sponsor:**	Randolph Area Community Development Corporation
Other Funding:	Energy Incentives (possible); Existing reserves and net cash accounts		

Recommendation: That the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence, and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

Project Summary: RACDC and HVT are general partners in a tax credit partnership that has owned this property and has ended its initial 15 year tax credit compliance period as of 12/2008. The property is 48 units of senior Section 8 housing in a single building in downtown Randolph that was newly constructed in 1978. Its HAP contract runs through 2018. VHFA has financing on the property with a balance of $1,094,617 as of 6/2010. (The acquisition cost would be the balance of outstanding debts, or about $23k per unit, and will need to be substantiated by an appraisal, which has been ordered.) VHFA also has a preservation agreement that expires 10/2038. RACDC intends to form a new partnership with itself or its subsidiary as the sole general partner (HVT would not be in the deal), and to recapitalize the development and perform renovations. The Hartland Group are acting as development consultants for RACDC. The rehab is expected to start in the July or August and be done by year end. (The sponsors wish to capitalize reserves to allow unit interior work on turnover, since this is an occupied project and large-scale relocation for seniors would be expensive and difficult.)

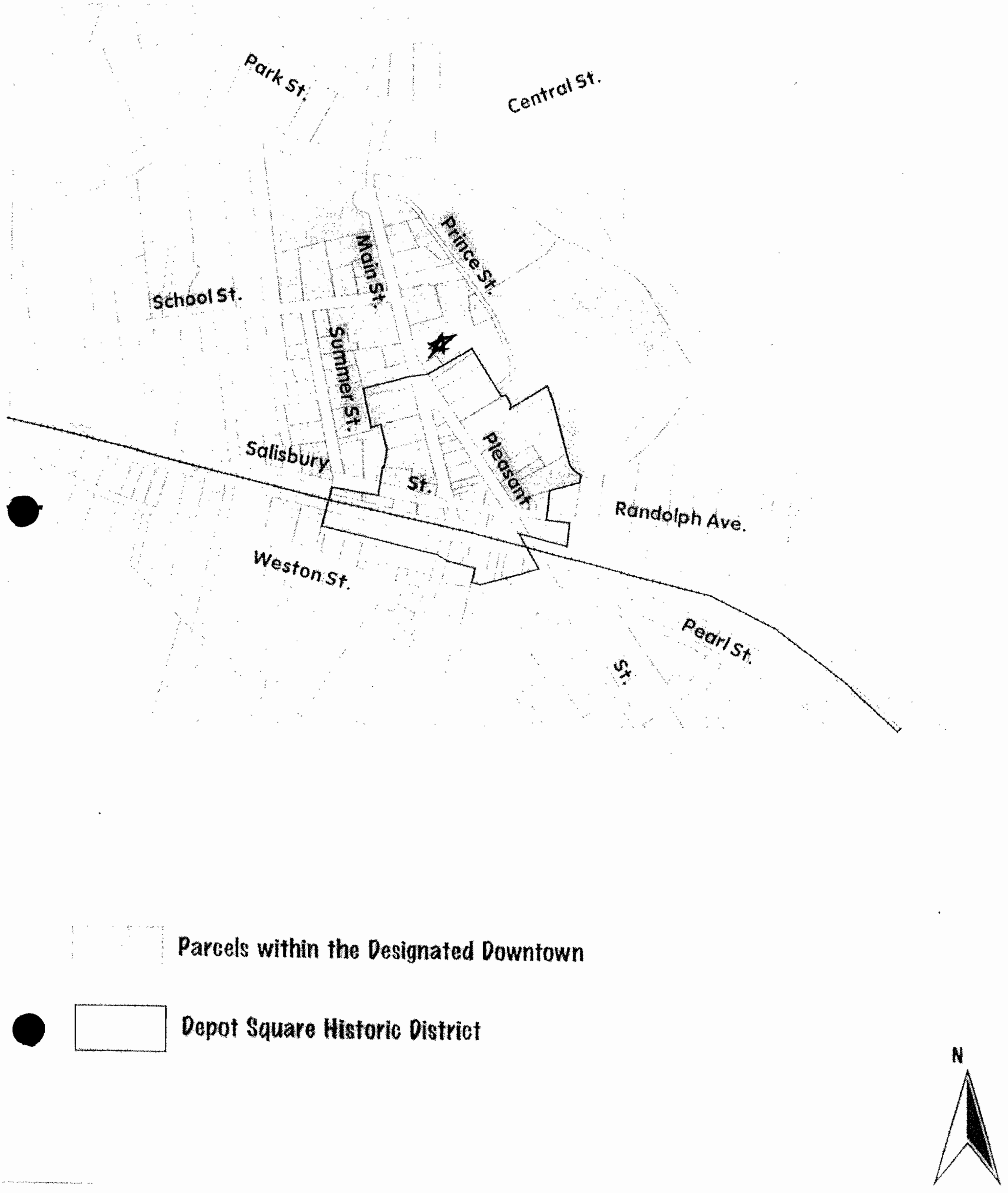
The property consists of a six-story building that is in the designated downtown and adjacent to the town's historic district and less than a mile from town offices, stores, schools, banks, and a medical center. The building is served by municipal water and sewer, and the owner pays all utilities. A portion of the 9.65 acre site (but not the building) is located in a floodplain, and the site has on-site parking, walkways (including a bridge for the

Main Street entrance), benches and picnic tables, and a gazebo and storage shed. The sponsors intend to do approximately $850,000 in rehab including $350,000 in a photovoltaic array, $115,000 in interior finishes and fixtures, and $385,000 in other (predominantly energy-related) work. Local DRB approval is needed for the photovoltaic and solar hot water panels and is anticipated for July 2010 (no State permits or approvals are needed.) Stewart Property Management currently manages and will continue to do so. An appraisal has been commissioned from Larry Martin, MAI, and is underway. A Phase I Environmental Site Assessment and a market analysis have both been commissioned.

Housing Credit Discussion: The property is seeking bond credits, and therefore only has to meet the application thresholds, and not the competitive evaluation criteria. One of the thresholds is that a project of this size be mixed-income and have at least two market-rate units. Because of the project-based rent assistance contract the sponsors generally want to (and need to) serve very low income households, and therefore they seek a waiver from this requirement.

There is little equity investment available to developers, and bond credits seem hard to place. In the event the sponsor is unable to find an equity investor, they would like to try to have the development move forward with a reduced scope of work and with simply debt financing. (The ability to increase hard debt borrowing is subject to the appraisal, and VHFA underwriting.) Staff would like to support this alternate proposal, but cannot evaluate it until more of the specifics are in hand (i.e., the reduced scope of work and any changes to the permanent debt amount). According to the VHFA Multifamily Underwriting Guidelines, projects require reconsideration by the Board of Commissioners if a change in loan amount exceeds 10% of the Board-approved loan amount. For this project, staff would seek Board reconsideration only in the event the Construction/Permanent loan amount exceeds $1,740,200 and/or the Construction-only loan amount exceeds $553,300.

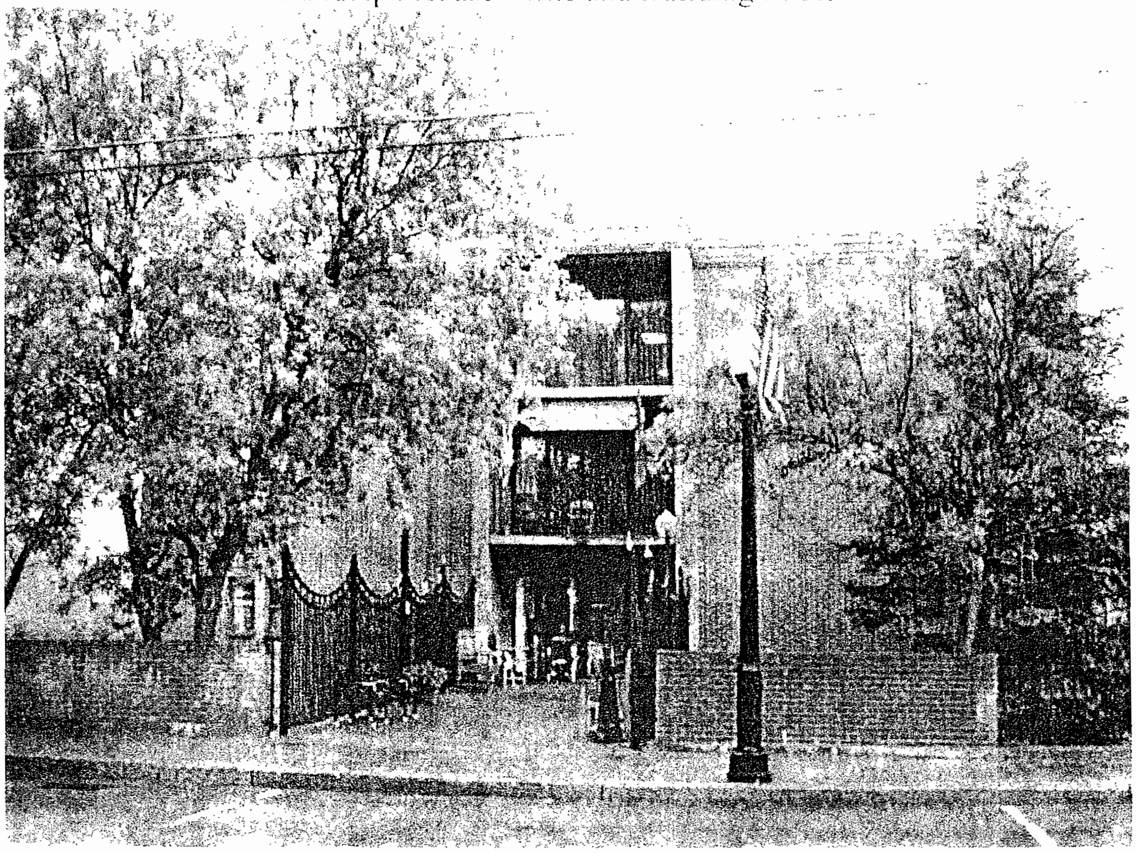
Town of Randolph
Downtown Designation Area



Parcels within the Designated Downtown

Depot Square Historic District

Randolph House Site and Building Photos



Randolph House Budget Summary

Total Rental Units:	48	Increase in Income from Rental Units:	1.50%	
Housing Credit Restricted Units:	47	Increase in Income from Other Sources:	1.50%	
Percent of Rental Units Restricted:	100.00%	Increase in Income from Commercial:	n/a	
Total Development Cost:	2,210,650	Expense increase:	3.00%	
Total Development Cost per Unit:	47,035	Vacancy Rate:	5.00%	2% historic rate
Total Development Cost Per SF:	75	Partner's Tax Rate:		
		Long Depreciation Schedule:	27.5	years
Max Credit Potential:	70,603	Short Depreciation Schedule:	7	years
Federal Credit Amount Requested:	68,000	Sponsor's Estimated Yield:	74.00%	
State Credit Amount Requested	0			
LIHTC - 9%	9.00%	new credit floor per IRS Notice 2008-106		
LIHTC - 4%	3.35%	3/1/2010		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage	1,582,000	71.56%	5.71%	30	30
RACDC Loan - VHCB Project Capacity	10,000	0.45%	0.00%	Deferred	30
Efficiency Incentives	13,000	0.59%	0.00%	Deferred	30
Energy Tax Credit Equity (or RGGI/ARRA grant TBD	102,500	4.64%	0.00%		Equity
LIHTC Equity	503,150	22.76%	0.00%		Equity
TOTAL SOURCES	2,210,650	100.00%			

USES

			per unit
Acquisition	1,010,000	45.69%	21,042
Construction Hard Costs	846,345	38.28%	17,632
Soft Costs	354,305	16.03%	7,381
TOTAL USES	2,210,650	100%	46,055
Gap/(Surplus)	0		

General Partner's Capital Contribution	50	0.01%
Limited Partner's Capital Contribution	503,150	99.99%
Total Equity	503,200	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	47
Total Units	48
Unit Fraction	97.92%
Tax Credit Square Footage	27,552
Total Residential Square Footage	28,224
Square Footage Fraction	97.62%
Applicable Fraction	97.62%

Randolph House Substantial Rehabilitation Budget — Predevelopment Loans:

	Rental Budget	MacArthur Loar	VHCB Capacity
ACQUISITION			
Acquisition - Land Portion	250,000		
Acquisition - Building Portion	750,000		
Property Appraisal	5,000	3,500	
Legal - Title, T Ins & Recording	5,000	3,000	
Subtotal - Acquisition	1,010,000	6,500	-
CONSTRUCTION HARD COSTS			
Solar Photovoltaic System (net-metered)	350,000		
Windows & Doors	15,000		
Heating & DHW Equipment	52,477		
Solar Hot Water	50,000		
Sitework - Retaining Walls, Etc.	25,000		
Insulation & Air Sealing	10,000		
Cabinet Replacement and Unit Interior Finishes	64,000		
Light Fixture & Ventilation Equip. Replacement	112,500		
Contractor Mark-Ups (Overhead/Profit/Bond/Ins	39,477		
Furnishings, Fixtures, & Equipment (Appliances)	50,950		
Construction Contingency @ 10%	76,940		
Subtotal - Hard Costs	846,345	-	-
SOFT COSTS			
Architectural/Engineering	20,000	10,000	
Civil Engineering/Landscape Architecture	5,000	5,000	
C.N.A.	2,500		
Permits/Fees	5,000	2,000	
Construction Period Insurance (GL&Builders Ris	2,500		
Construction Interest	40,840		
Loan Commitment/Credit Fees	19,530		
Survey (incl Floodplain delineation)	10,000	10,000	
Soft Cost Contingency @ 10%	10,935	3,500	
SYNDICATION COSTS			
Organizational (Partnership)	4,000		
Cost Certification	4,000		
Syndication legal/accounting	10,000	3,000	
DEVELOPER'S FEES			
Developer's & Consultant Fees	168,000	30,000	10,000
RESERVES			
Fund Operating Reserve	-		
Fund Replacement Reserves	52,000		
Subtotal - Soft Costs	354,305	63,500	10,000
TOTAL DEVELOPMENT COSTS	2,210,650	70,000	10,000

Randolph House Substantial Rehabilitation Budget

Credit Calculations

	Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis
ACQUISITION					
Acquisition - Land Portion	250,000				
Acquisition - Building Portion	750,000	750,000		750,000	
Property Appraisal	5,000	5,000		5,000	
Legal - Title, T Ins & Recording	5,000	5,000		5,000	
Subtotal - Acquisition	1,010,000				
CONSTRUCTION HARD COSTS					
Solar Photovoltaic System (net-metered)	350,000		350,000	350,000	
Windows & Doors	15,000		15,000	15,000	
Heating & DHW Equipment	52,477		52,477	52,477	
Solar Hot Water	50,000		50,000	50,000	
Sitework - Retaining Walls, Etc.	25,000		25,000	25,000	
Insulation and Air Sealing (owner cost share)	10,000				
Cabinet Replacement and Unit Interior Finish	64,000		64,000	64,000	
Light Fixture & Ventilation Equip. Replaceme	112,500		112,500	112,500	
Contractor Mark-Ups (Overhead/Profit/Bond/	39,477		39,477	39,477	
Furnishings, Fixtures, & Equipment (Applianc	50,950		50,950	50,950	
Construction Contingency @ 10%	76,940		76,940	76,940	
Subtotal - Hard Costs	846,345				
SOFT COSTS					
Architectural/Engineering	20,000		20,000	20,000	
Civil Engineering/Landscape Architecture	5,000		5,000	5,000	
Legal	0		0	0	
Urban Design/Land Planning (TerraFirma De:	0		0	0	
Environmental Assessment	0		0	0	
Traffic Study	0		0	0	
C.N.A.	2,500		2,500	2,500	
Permits/Fees	5,000		5,000	5,000	
Geotech/Controlled Inspections	0		0	0	
Construction Period Insurance (GL&Builders	2,500		2,500	2,500	
Construction Interest	40,840		15,840	15,840	
Loan Commitment/Credit Fees	19,530				
Carrying costs	0		0	0	
Property Tax & Liability Insurance (predevelo	0		0	0	
Applications	0		0	0	
Historic Preservation Consultant	0		0	0	
Survey (incl Floodplain delineation)	10,000		10,000	10,000	
Market Studies	0		0	0	
LEED for Homes Certification	0		0	0	
Appraisals	0		0	0	
Miscellaneous	0				
Marketing	0				
Soft Cost Contingency @ 10%	10,935		10,935	10,935	
SYNDICATION COSTS					
Organizational (Partnership)	4,000				
Cost Certification	4,000				
Syndication legal/accounting	10,000				
DEVELOPER'S FEES					
Developer's & Consultant Fees	168,000		168,000	168,000	
RESERVES					
Working Capital	0				
Rent-up (Deficit Escrow) Reserve	0				
Taxes & Insurance Escrow	0				
Fund Operating Reserve	0				
Fund Replacement Reserves	52,000				
Subtotal - Soft Costs	354,305				
TOTALS	2,210,650	760,000	1,076,120	1,836,120	0
Acquisition Basis	760,000				
Construction Basis	1,076,120				
Historic Basis	0				
Depreciation Basis	1,836,120				
Amount of Non-qualified Financing					
Adjustment for per unit cost limits	0%				
Historic tax Credit (Residential Portion)					

		Acquisition	Construction		
Total Eligible Basis		760,000	1,076,120	20%	Historic Credit Rate
Adjusted for QCT/DDA	130.0%	760,000	1,398,956	0	Annual Historic Credit
Applicable Fraction	97.6%	741,905	1,365,647	100%	Historic Credit Yield
Total Qualified Basis		741,905	1,365,647	0	Historic Equity to Project
Applicable Percentage		3.35%	3.35%		
Total Annual Credit Qualified		24,854	45,749		
Total Qualified Basis		0	0	1,836,120	Long Term Depreciable Basis
Applicable Percentage		3.35%	3.35%	27.5	Depreciation Schedule
Total Annual Credit Qualified		0	0	66,768	Annual Depreciation
TOTAL QUALIFIED CREDIT		70,603			
Total Tax Credits Requested	68,000			76,940	Short Term Depreciable Basis
Estimated Net Syndication Proceeds					
(excluding historic credit equity)	503,150			7	Depreciation Schedule
Estimated Yield - Housing Credit Syndication	74.00%			10,991	Annual Depreciation
Equity Gap	503,150				
Credits Needed to fill Equity Gap	68,000				

Randolph House Rental Schedule

Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br	Senior w/HAP	576	42	859	-	432,936
2 Br	Senior w/HAP	672	6	971	-	69,912
	Total	28,224	48			502,848
	Total	28,224	48			502,848
	Common Area SF	11,776				
		Less Vacancy	5.00%			(25,142)
					NET RENT	477,706

OTHER INCOME

	Monthly	Annual
Laundry	500	6,000
Parking	-	-
Commercial Space Income	-	-
Total	500	6,000
TOTAL INCOMI		**489,706**

Randolph House

Rent Summary

	Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	101			1	1					1	576	$859	$0	$859							1					
1	102			1	1					1	576	$859	$0	$859							1					
1	103			1	1					1	576	$859	$0	$859							1					
1	104			1	1					1	576	$859	$0	$859							1					
1	105			1	1					2	672	$971	$0	$971							1					
1	106			1	1					1	576	$859	$0	$859							1					
1	107			1	1					1	576	$859	$0	$859							1					
1	108			1	1					1	576	$859	$0	$859							1					
1	201			1	1					1	576	$971	$0	$971							1					
1	202			1	1					2	672	$859	$0	$859							1					
1	203			1	1					1	576	$859	$0	$859							1					
1	204			1	1					1	576	$859	$0	$859							1					
1	205			1	1					2	672	$971	$0	$971							1					
1	206			1	1					1	576	$859	$0	$859							1					
1	207			1	1					1	576	$859	$0	$859							1					
1	208			1	1					1	576	$859	$0	$859							1					
1	301			1	1					2	672	$971	$0	$971							1					
1	302			1	1					1	576	$859	$0	$859							1					
1	303			1	1					1	576	$859	$0	$859							1					
1	304			1	1					1	576	$859	$0	$859							1					
1	305			1	1					3	672	$971	$0	$971							1					
1	306			1	1					1	576	$859	$0	$859							1					
1	307			1	1					1	576	$859	$0	$859							1					
1	308			1	1					1	576	$859	$0	$859							1					
1	401			1	1					1	576	$859	$0	$859							1					
1	402			1	1					1	576	$859	$0	$859							1					
1	403			1	1					1	576	$859	$0	$859							1					
1	404			1	1					1	576	$859	$0	$859							1					
1	405			1	1					1	576	$859	$0	$859							1					
1	406			1	1					1	576	$859	$0	$859							1					
1	407			1	1					1	576	$859	$0	$859							1					
1	408			1	1					1	576	$859	$0	$859							1					
1	501			1	1					1	576	$859	$0	$859							1					
1	502			1	1					1	576	$859	$0	$859							1					
1	503			1	1					1	576	$859	$0	$859							1					
1	504			1	1					1	576	$859	$0	$859							1					
1	505			1	1					1	576	$859	$0	$859							1					
1	506			1	1					1	576	$859	$0	$859							1					
1	507			1	1					1	576	$859	$0	$859							1					
1	508			1	1					1	576	$859	$0	$859							1					
1	601			1	1					1	576	$859	$0	$859							1					
1	602			1	1					1	576	$859	$0	$859							1					
1	603			1	1					1	576	$859	$0	$859							1					
1	604			1	1					1	576	$859	$0	$859							1					
1	605			1	0					2	672	$971	$0	$971							1					
1	606			1	1					1	576	$859	$0	$859							1					
1	607			1	1					1	576	$859	$0	$859							1					
1	608			1	1					1	576	$859	$0	$859							1					
Total # Units	48	0	0	48	47	0	0	0	0	55	28,224	41,904		Total # Units:	0	0	0	0	0	0	48	0	0	0	0	0

Randolph Hous 1st year Operating Expenses

	Annual	Monthly	Per Unit Per Month	Per Unit Per Annum	RH 2010 VHF	RH 2009 VHFA Budget	
Administration							
Management Fee	43,096	3,591	75	898	43,096	42,251	
Audit/Accounting	4,400	367	8	92	4,400	3,850	
LIHTC Fee	3,456	288	6	72	2,304	2,000	
Training	620	52	1	13	620	620	
Other Admin	1,076	90	2	22	1,076	1,240	"Other/Bad Debt"
Asset Management Fee	4,608	384	8	96	4,608	4,608	"Investor Service Fe
Incentive Management Fee	2,800	233	5	58	0	0	Not in VHFA-approved
Supportive Services	9,100	758	16	190	9,100	8,700	
TOTAL ADMINISTRATIVE	69,156	5,763	120	1,441	65,204	63,269	
Utilities							
Electricity	15,000	1,250	26	313	33,000	33,000	
REDUCTION ASSUMES MAJOR SOLAR PV INVESTMENT TO CUT CURRENT USAGE BY 50% (AFTER LIGHTING + FAN UPGRADES)							
Fuel	29,600	2,467	51	617	28,000	48,000	
REDUCTION ASSUMES AIR SEALING/INSULATION, SOME SOLAR H2O, AND NEW BOILERS TO REDUCE USAGE BY 20% OVER 2009 ACTUALS							
Water and Sewer	18,800	1,567	33	392	18,800	18,800	
Fire Alarm / Emergency	600	50	1	13	600	600	
Other	840	70	5	18	840	780	cable TV
TOTAL UTILITIES	64,840	5,403	113	1,351	81,240	101,180	
Maintenance							
Maintenance / Janitor Payroll	46,020	3,835	80	959	46,020	39,520	
Janitor Supplies	1,750	146	3	36	1,750	1,750	
Exterminating	1,000	83	2	21	1,000	1,000	
Trash Removal	6,500	542	11	135	6,500	7,400	
Snow Removal	4,000	333	7	83	4,000	3,000	
Grounds	0	0	0	0	0	0	
Repairs Material	21,400	1,783	37	446	21,400	18,100	
Repairs Contract	0	0	0	0	0	0	
HVAC Repairs / Maintenance	0	0	0	0	0	0	
Elevator Contract / Repairs	5,300	442	9	110	5,300	5,180	
Painting and Decorating	0	0	0	0	0	0	
Misc	0	0	0	0	0	0	
TOTAL MAINTENANCE	85,970	7,164	149	1,791	85,970	75,950	
Real Estate Taxes	48,200	4,017	84	1,004	48,200	46,900	
Property Insurance	8,600	717	15	179	8,600	8,200	
Replacement Reserves	22,464	1,872	39	468	10,464	10,056	
State Taxes	250	21	0	5	250	250	
Primary Debt Service	110,304	9,192	191	2,298	180,852	180,852	
Total (excluding debt service)	299,480	24,957	520	6,239	299,928	305,805	

Randolph House **30 Year Cash Flow**

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		502,848	510,391	518,047	525,817	533,705	541,710	549,836	558,083	566,455	574,951	583,576	592,329	601,214	610,232	619,386
Other Income		6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860	6,963	7,068	7,174	7,281	7,391
Vacancy and other losses		(25,142)	(25,520)	(25,902)	(26,291)	(26,685)	(27,086)	(27,492)	(27,904)	(28,323)	(28,748)	(29,179)	(29,616)	(30,061)	(30,512)	(30,969)
Total Operating Income		483,706	490,961	498,326	505,800	513,387	521,088	528,905	536,838	544,891	553,064	561,360	569,780	578,327	587,002	595,807
Operating Expenses																
Total Expenses (excl. Reserves)		277,016	285,326	293,886	302,703	311,784	321,137	330,772	340,695	350,916	361,443	372,286	383,455	394,959	406,807	419,012
Replacement Reserves		22,464	23,138	23,832	24,547	25,283	26,042	26,823	27,628	28,457	29,310	30,190	31,095	32,028	32,989	33,979
Total Operating Expense		299,480	308,464	317,718	327,250	337,067	347,179	357,595	368,323	379,372	390,753	402,476	414,550	426,987	439,796	452,990
Net Operating Income		184,226	182,497	180,607	178,551	176,320	173,909	171,310	168,516	165,518	162,311	158,884	155,230	151,340	147,206	142,817
Less Primary Debt Service		110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		73,922	72,193	70,304	68,247	66,017	63,605	61,006	58,212	55,215	52,007	48,580	44,927	41,037	36,902	32,513
Less Contributions to Op Reserve		(73,922)	(72,193)	(70,304)	(68,247)	(66,017)	(63,605)	(61,006)	(58,212)	(55,215)	(52,007)	(48,580)	(44,927)	(41,037)	(36,902)	(32,513)
Plus Withdrawals from Op Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCR (incl rep reserve contribution)		167%	165%	164%	162%	160%	158%	155%	153%	150%	147%	144%	141%	137%	133%	129%
Net Cash																
Beginning Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Deficit Reserve																
Beginning Balance		13,000	86,922	159,115	229,419	297,666	363,683	427,288	488,294	546,506	601,721	653,728	702,309	747,235	788,272	825,174
Deposits		73,922	72,193	70,304	68,247	66,017	63,605	61,006	58,212	55,215	52,007	48,580	44,927	41,037	36,902	32,513
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		86,922	159,115	229,419	297,666	363,683	427,288	488,294	546,506	601,721	653,728	702,309	747,235	788,272	825,174	857,687
Cumulative Replacement Reserves																
Beginning Balance		146,959	169,423	192,561	216,393	240,940	256,223	231,462	248,285	260,233	273,010	268,140	282,650	242,262	274,291	297,280
Deposits		22,464	23,138	23,832	24,547	25,283	26,042	26,823	27,628	28,457	29,310	30,190	31,095	32,028	32,989	33,979
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		0	0	0	0	(10,000)	(50,803)	(10,000)	(15,680)	(15,680)	(34,180)	(15,680)	(71,483)	0	(10,000)	(13,000)
Ending Balance		169,423	192,561	216,393	240,940	256,223	231,462	248,285	260,233	273,010	268,140	282,650	242,262	274,291	297,280	318,259

	Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Operating Income																
Gross Rent		628,677	638,107	647,678	657,394	667,255	677,263	687,422	697,734	708,200	718,823	729,605	740,549	751,657	762,932	774,376
Other Income		7,501	7,614	7,728	7,844	7,962	8,081	8,202	8,325	8,450	8,577	8,706	8,836	8,969	9,103	9,240
Vacancy and other losses		(31,434)	(31,905)	(32,384)	(32,870)	(33,363)	(33,863)	(34,371)	(34,887)	(35,410)	(35,941)	(36,480)	(37,027)	(37,583)	(38,147)	(38,719)
Total Operating Income		604,744	613,815	623,023	632,368	641,854	651,481	661,254	671,172	681,240	691,459	701,830	712,358	723,043	733,889	744,897
Operating Expenses																
Total Expenses (excl. Reserves)		431,582	444,529	457,865	471,601	485,749	500,322	515,331	530,791	546,715	563,116	580,010	597,410	615,333	633,793	652,806
Replacement Reserves		34,998	36,048	37,130	38,243	39,391	40,572	41,790	43,043	44,335	45,665	47,035	48,446	49,899	51,396	52,938
Total Operating Expense		466,580	480,577	494,995	509,845	525,140	540,894	557,121	573,835	591,050	608,781	627,045	645,856	665,232	685,189	705,744
Net Operating Income		138,164	133,238	128,028	122,523	116,714	110,587	104,133	97,338	90,190	82,677	74,786	66,502	57,812	48,700	39,153
Less Primary Debt Service		110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304	110,304
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		27,861	22,934	17,724	12,220	6,410	284	(6,171)	(12,966)	(20,113)	(27,626)	(35,518)	(43,802)	(52,492)	(61,603)	(71,151)
Less Contributions to Op Reserve		(27,861)	(22,934)	(17,724)	(12,220)	(6,410)	(284)	0	0	0	0	0	0	0	0	0
Plus Withdrawals from Op Reserve		0	0	0	0	0	0	6,171	12,966	20,113	27,626	35,518	43,802	52,492	61,603	71,151
Net Cash		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCR (incl rep reserve contribution)		125%	121%	116%	111%	106%	100%	94%	88%	82%	75%	68%	60%	52%	44%	35%
Net Cash																
Beginning Balance		857,687	885,548	908,482	926,207	938,427	944,837	945,120	938,949	925,983	905,870	878,244	842,726	798,924	746,432	684,829
Deposits		27,861	22,934	17,724	12,220	6,410	284	0	0	0	0	0	0	0	0	0
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		0	0	0	0	0	0	(6,171)	(12,966)	(20,113)	(27,626)	(35,518)	(43,802)	(52,492)	(61,603)	(71,151)
Ending Balance		885,548	908,482	926,207	938,427	944,837	945,120	938,949	925,983	905,870	878,244	842,726	798,924	746,432	684,829	613,678
Operating Deficit Reserve																
Beginning Balance		857,687	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		857,687	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Replacement Reserves																
Beginning Balance		318,259	353,257	389,305	375,631	413,875	427,515	468,088	509,878	552,921	546,452	592,117	639,152	687,597	737,496	788,892
Deposits		34,998	36,048	37,130	38,243	39,391	40,572	41,790	43,043	44,335	45,665	47,035	48,446	49,899	51,396	52,938
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		0	0	(50,803)	0	(25,750)	0	0	0	(50,803)	0	0	0	0	0	0
Ending Balance		353,257	389,305	375,631	413,875	427,515	468,088	509,878	552,921	546,452	592,117	639,152	687,597	737,496	788,892	841,830

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION AND PERMANENT FINANCING AND PROPOSED USE OF BOND HOUSING CREDITS FOR RANDOLPH HOUSE, TOWN OF RANDOLPH

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Randolph Area Community Development Corporation (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition and rehabilitation of forty-eight (48) units of senior rental housing in the Town of Randolph (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction and permanent financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsor qualifies and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joe Erdelyi dated June 11, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsor for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsor in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and

terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The recommendations for the use of Bond Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

5. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the use of Bond Housing Credits in an amount necessary for the Development's feasibility for the Randolph House housing project in the Town of Randolph, Vermont.

6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: June 3, 2010

RE: Request for Bond Credits, Construction Financing, State Credits: Spring, Elliot & Valgar, Brattleboro

Name:	Spring, Elliot & Valgar	**Location:**	Brattleboro
Housing Type:	General Occupancy	**Unit Type:**	Flats and Townhouses
Unit Count:	28 total units 27 Housing Credit units	**Unit Sizes:**	2 1-BR @ 600 avg sf 13 2-BR @ 727 avg sf 13 3-BR @ 1,295 avg sf
Total Cost:	$4,476,244	**Per S.F. Acquisition & Construction Cost:**	$138
4% Housing Credits:	$158,500	**Sponsor:**	Windham Housing Trust
State Housing Credits:	$50,000	**Loan Requested:**	$2,300,000 Construction Loan – Tax Exempt
Other Funding: VHCB, HOME, VHCB Lead & Feasibility, VHCB ARRA, Efficiency Vermont, Weatherization (SEVCA)			

Summary of Request: Windham Housing Trust (WHT) (on behalf of a to-be-formed tax credit limited partnership) is requesting $2,300,000 in tax exempt construction financing, $158,500 in 4% (Bond) Tax Credits, and $50,000 in State Tax Credits for the re-development of 28 residential rental units in Brattleboro.

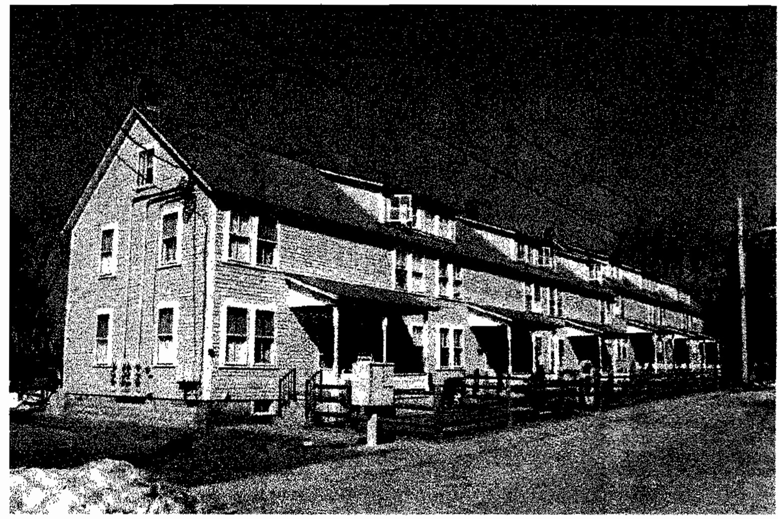
Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence; and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

Project Summary: WHT is proposing to form a tax credit limited partnership in order to acquire and rehabilitate 28 rental units in 4 buildings in Brattleboro. Three buildings located at 11 and 15 Spring Street and 135 Elliot Street are in the 15th year of a tax credit partnership. The limited partner wants to exit the partnership, and the properties are in need of capital and energy improvements. A fourth building located at 16-38Valgar Street, is owned by WHT but has never received tax credits. It is a building comprised of 12 three-bedroom units, and has a high occupancy history. WHT is including this fourth building in the new project, as it also needs capital and energy improvements. All buildings are fully occupied, and have served tenants with very low incomes during the 15 years WHT has owned them. WHT also maintains a waiting list for all of its apartments. All 28 of these apartments will be affordable to households at 60% of area median income, with 21of the apartments affordable to households at 50% of area median income. In addition, there are seven tenant-based Section 8 vouchers in the project. The buildings have municipal water and wastewater, and are located near a designated downtown. The sponsor is seeking funding from VHCB and HOME, with a decision anticipated on June 18th. The sponsor is also seeking energy funds from Efficiency Vermont and Southeastern Vermont Community Action (SEVCA), and anticipates finalizing that funding in June as well. The buildings do not qualify for historic credits, nor can the sponsor benefit from the solar credit which is only for work which starts in 2010 (and this rehabilitation will not begin until 2011). A Level I Environmental Site Assessment and an as-built appraisal have been ordered. A zoning permit will be required for the Valgar Street site work, and potable water supply and wastewater disposal permits will be required for the Spring and Elliot Street buildings since sprinkler systems will be added. Act 250 is not required. This transaction will close in January 2011, which is when the 15 year initial tax credit period is up on the Spring and Elliot Street buildings. Sources of take-out financing for the construction loan include tax credit equity (both from bond credits and state credits), VHCB, HOME, and SEVCA funding.

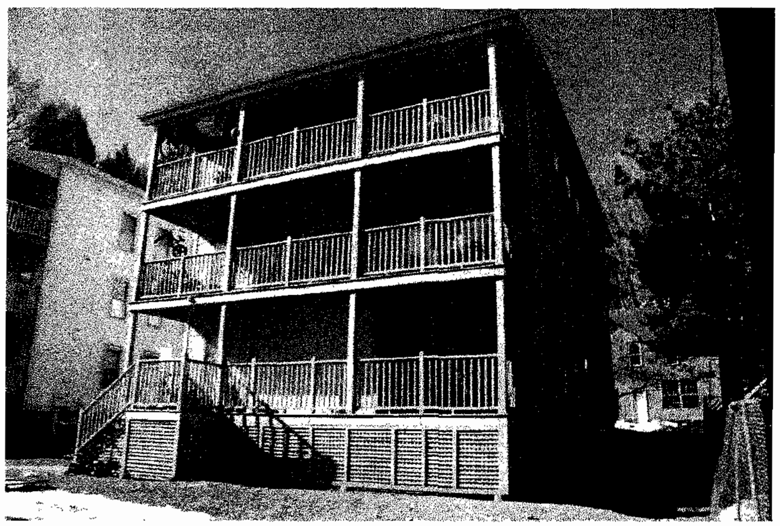
Denny Frehsee is the Architect and Jeff Kantor is the Development Consultant. American Construction is the Construction Manager. WHT will provide the property management. The sponsor anticipates closing in January 2011, and beginning construction immediately thereafter. Completion is expected by October 2011.

Spring, Elliot & Valgar, Brattleboro

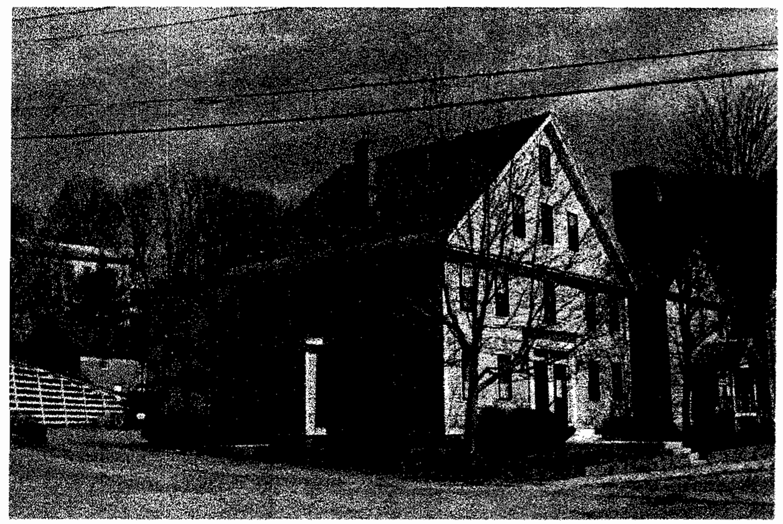
11 Spring Street



16-38 Valgar Street



15 Spring Street



135 Elliot Street

3-Jun-10	Spring Elliot Valgar (SEV Housing)		
Total Residential Units:	28	Increase in Income from Rental Units:	1.5%
Housing Credit Restricted Units:	27	Increase in Income from Other Sources:	1.5%
Percent Restricted:	96%		
Total Development Cost:	4,476,244	Expense increase:	3.0%
Total Development Cost per Unit:	159,866	Vacancy Rate:	5.0%
Total Development Cost Per SF:	163	Partner's Tax Rate:	35%
Historic Credit Max	0	Long Depreciation Schedule:	27.5
Historic Credit / Agreement		Short Depreciation Schedule:	5
State Credit Allocated	**50,000**	Commercial Vacancy Rate	
Max Credit	159,167	Sponsor's Estimated Yield:	79.50%
HC Credit Allocated	**158,500**		
LIHTC - 4%	3.35%	DCR Yr 1 & 15 N/A	N/A
LIHTC - 4%	3.35%	June 2010	

SOURCES		% TDC	Interest Rate	Amortization	Term
Bank		0.00%	0.00%	0	0
HOME	574,000	12.82%	0.00%	30	deferred
VHCB	196,000	4.38%	0.00%	30	deferred
Lead Loan	42,000	0.94%	0.00%	30	deferred
VHCB AARA	79,200	1.77%	0.00%	30	deferred
WHT Dev Fee loan	15,000	0.34%	0.00%	10	deferred
VHCB Feasibility	10,800	0.24%		GP Captial Contribution	
Project Reserves	112,202	2.51%		GP Captial Contribution	
Efficiency VT	7,200	0.16%		GP Captial Contribution	
SEVCA	45,000	1.01%		GP Captial Contribution	
S&E Existing VHCB&accrued interest	1,088,940	24.33%	0.00%	30	deferred
Existing Valgar debt	830,902	18.56%	0.00%	30	deferred
State Tax Credit equity	215,000	4.80%		GP Capital Contribution	
Tax Credit Equity (LP Cap Contrib)	1,260,000	28.15%			Equity
TOTAL SOURCES	4,476,244	100.00%		100.00%	

USES		
Acquisition	1,991,342	44.49%
Construction Hard Costs	1,799,902	40.21%
Soft Costs	685,000	15.30%
TOTAL USES	4,476,244	100.00%
Gap	**0**	

General Partner's Capital Contribution	1,260	0.10%
Limited Partner's Capital Contribution	1,258,740	99.90%
Total Equity	1,260,000	

	Spring Elliot Valgar (SEV Ho	03-Jun-10									
	USES OF FUNDS	Budget	Per Unit	Per s.f.	VHCB Terms:____	HOME Terms:____	VHCB ARRA	Equity Terms:____	VHCB & Existing	Lead Loan & SEVCA	REEP,def fee, Feas,Resrv
	ACQUISITION	Total									
1	Spring Elliot Land	120,000	4,286	4.37					120,000		
2	Spring Elliot Buildings	968,940	34,605	35.25					968,940		
3	Valgar Land	50,000	1,786	1.82					50,000		
4	Valgar Building	845,902	30,211	30.78	65,000				780,902		
5			0	0.00							
6			0	0.00							
7	Property Appraisal		0	0.00							
8	Legal - Title and Recording	6,500	232	0.24	6,500						
	Subtotal - Acquisition	1,991,342	71,119	72.45							
	CONSTRUCTION HARD COSTS										
9	Spring Elliot	764,000	27,286	47.71		90,000	4,200	619,800		20,000	30,000
10	Valgar	748,000	26,714	324.65		149,800		537,298		25,000	35,902
11			0	0.00							
12			0	0.00							
13			0	0.00							
14	solar hot water install	75,000	2,679	2.73			75,000				
15	Construction Contingency	125,902	4,497	4.58				125,902			
16	Lead abatement	42,000	1,500	1.53						42,000	
17	Hazardous Mat Abatement	10,000	357	0.36	10,000						
18	Asbestos Abatement & Testing		0	0.00							
19			0	0.00							
20	Furnishings, Fixtures, & Equipment	35,000	1,250	1.27				35,000			
21			0	0.00							
22	Subtotal - Hard Costs	1,799,902	64,282	65.48							
	SOFT COSTS										
23	Architectural	105,000	3,750	3.82		99,200					5,800
24	Testing	4,000	143	0.15		4,000					
25	Legal/Accounting	19,000	679	0.69	12,000	7,000					
26	Civil Engineering	25,000	893	0.91	20,000						5,000
27	Cost Certification	6,500	232	0.24				6,500			
28	Relocation	56,000	2,000	2.04		35,000		21,000			
29	Environmental Assessment	2,500	89	0.09	2,500						
30	Survey / Topo	3,500	125	0.13							3,500
31	Permits/Fees	12,000	429	0.44	12,000						
32	Market Study	2,500	89	0.09	2,500						
33	Construction Period Insurance	6,000	214	0.22	6,000						
34	Construction Interest	40,000	1,429	1.46		25,000		15,000			
35	Loan Origination Fee		0	0.00							
36	Taxes During Construction	6,500	232	0.24		6,500					
37	Clerk of the Works	18,000	643	0.65		18,000					
38	Marketing	1,500	54	0.05				1,500			
39	VHFA Tax Credit Fees	5,000	179	0.18	5,000						
40	Inspection Fees	6,000	214	0.22	6,000						
41	Soft Cost Contingency	9,500	339	0.35		9,500					
42	Permanent Loan Origination Fee		0	0.00							
43	Lenders Counsel's Fee	5,000	179	0.18	5,000						
44	Historic Consultant & Fees	500	18	0.02	500						
45	Other (_CNA_)	2,500	89	0.09				2,500			
	SYNDICATION COSTS										
46	LP Legal	1,000	36	0.04		1,000					
47	Bridge Loan Fees and Expenses	18,000	643	0.65				18,000			
48	Syndication Consultant	2,500	89	0.09				2,500			
49	Tax Opinion		0	0.00							
	DEVELOPER'S FEES										
50	Developer's Fees	194,000	6,929	7.06	21,000	129,000		44,000			
51	Deferred fee	15,000	536	0.55							15,000
52	Consultant Fees	58,000	2,071	2.11	22,000			36,000			
	RESERVES										
53	Operating Rerserve	20,000	714	0.73							20,000
54	Rent-up (Deficit Escrow) Reserve	10,000	357	0.36				10,000			
55	Other Operating Reserves		0	0.00							
56	Sinking Fund		0	0.00							
57	Replacement Reserves	30,000	1,071	1.09							30,000
58	Subtotal - Soft Costs	685,000	24,464	24.92							
	TOTAL DEVELOPMENT COST!	4,476,244	159,866	162.86	196,000	574,000	79,200	1,475,000	1,919,842	87,000	145,202

No.	Spring Elliot Valgar (SEV Housing)	03-Jun-10 TOTAL BUDGET	Spring & Elliot Acquisition Basis	Spring & Elliot Construction Basis	Spring & Elliot Residential Depreciation		Valgar Acquisition Basis	Valgar Construction Basis	Valgar Residential Depreciation
1	Spring Elliot Land	120,000							
2	Spring Elliot Buildings	968,940	968,940		968,940		0		0
	Valgar Land	50,000					0		
	Valgar Building	845,902					845,902		
3	0	0							
4	0	0			0				0
5	Property Appraisal	0	0		0		0		0
	Legal - Title and Recording	6,500	2,786		2,786		2,786		2,786
6	**Subtotal - Acquisition**	1,991,342							
	CONSTRUCTION HARD COSTS								
7	Spring Elliot	764,000		436,571	436,571			327,429	327,429
8	Valgar	748,000		427,429				320,571	320,571
9	0	0		0				0	0
10	0	0		0				0	0
11		0		0				0	
12	solar hot water install	75,000		42,857	42,857			32,143	32,143
13	Construction Contingency	125,902		71,944	71,944			53,958	53,958
14	Lead abatement	42,000		24,000	24,000			18,000	18,000
15	Hazardous Mat Abatement	10,000		5,714	5,714			4,286	4,286
16	Asbestos Abatement & Testing	0		0	0			0	0
17	0	0		0	0			0	0
18	Furnishings, Fixtures, & Equipment	35,000		20,000	20,000			15,000	15,000
19	0	0		0	0			0	0
20	**Subtotal - Hard Costs**	1,799,902			0				0
	SOFT COSTS								
23	Architectural	105,000		60,000	60,000			45,000	45,000
24	Testing	4,000		2,286	2,286			1,714	1,714
25	Legal/Accounting	19,000		10,857	10,857			8,143	8,143
26	Civil Engineering	25,000		14,286	14,286			10,714	10,714
27	Cost Certification	6,500		3,714	3,714			2,786	2,786
28	Relocation	56,000		32,000	32,000			24,000	24,000
29	Environmental Assessment	2,500		1,429	1,429			1,071	1,071
30	Survey / Topo	3,500		2,000	2,000			1,500	1,500
31	Permits/Fees	12,000		6,857	6,857			5,143	5,143
32	Market Study	2,500		1,429	1,429			1,071	1,071
33	Construction Period Insurance	6,000		3,429	3,429			2,571	2,571
34	Construction Interest	40,000		22,857	22,857			17,143	17,143
35	Loan Origination Fee	0		0	0			0	0
36	Taxes During Construction	6,500		3,714	3,714			2,786	2,786
37	Clerk of the Works	18,000		10,286	10,286			7,714	7,714
38	Marketing	1,500							
39	VHFA Tax Credit Fees	5,000			0				
40	Inspection Fees	6,000		3,429	3,429			2,571	2,571
41	Soft Cost Contingency	9,500		5,429	5,429			4,071	4,071
42	Permanent Loan Origination Fee	0		0	0				
43	Lenders Counsel's Fee	5,000		2,857	2,857			2,143	2,143
44	Historic Consultant & Fees	500		286	286			214	214
45	Other (CNA)	2,500							
	SYNDICATION COSTS	-							
46	LP Legal	1,000							
47	Bridge Loan Fees and Expenses	18,000							
48	Syndication Consultant	2,500							
49	Tax Opinion	0							
	DEVELOPER'S FEES								
50	Developer's Fees	194,000		110,857	110,857			83,143	83,143
48	Other Partnership Fees for Reserves	15,000		8,571	8,571			6,429	6,429
49	Consultant Fees	58,000		33,143	33,143			24,857	24,857
	RESERVES								
50	Working Capital	20,000							
51	Rent-up (Deficit Escrow) Reserve	10,000							
52	Other Operating Reserves	0		0				0	
53	Sinking Fund	0		0				0	
54	Replacement Reserves	30,000							
55	**Subtotal - Soft Costs**	685,000							
	TOTAL DEVELOPMENT COSTS	**4,476,244**	971,726	1,368,230	1,892,527	0	848,688	1,026,172	1,013,958
LESS:	Amount of Non-qualified Financing		0				0		
LESS:	Adjustment for per unit cost limits	0%		0	historic credit			0	
LESS:	Historic tax Credit (Residential Portion)			0	solar credit			0	
	Total Eligible Basis		971,726	1,368,230			848,688	1,026,172	
TIMES:	Adjusted for QCT/DDA	**130.0%**		1,778,699				1,334,024	
TIMES:	Applicable Fraction		971,726	1,778,699	**100.00%**		777,964	1,222,855	**91.67%**
	Total Qualified Basis		971,726	1,778,699			777,964	1,222,855	
TIMES:	Applicable Percentage		3.35%	3.35%			3.35%	3.35%	
	Total Annual Credit Qualified		32,553	59,586			26,062	40,966	
	Total Allocated Tax Credits	158,500	TOTAL HC'S	92,139			TOTAL HC'S	67,027	

Estimated Net Syndication Proceeds (excluding historic credit equity)	1,260,000
Estimated Yield - Housing Credit Syndication	79.50%
Equity Gap	1,260,000
Credits Needed to fill Equity Gap	158,659

Spring & Elliot		Valgar	
1,872,527	Long Term Depreciable Basis	1,013,958	Long Term Depreciable Basis
27.5	Depreciation Schedule	27.5	Depreciation Schedule
68,092	Annual Depreciation	36,871	Annual Depreciation
0	Mid Ter m Deprecitation	0	Mid Ter m Deprecitation
15	Depreciation Schedule	15	Depreciation Schedule
0	Annual Depreciation	0	Annual Depreciation
20,000	Short Term Depreciable Basis	15,000	Short Term Depreciable Basis
5	Depreciation Schedule	5	Depreciation Schedule
4,000	Annual Depreciation	3,000	Annual Depreciation

Total Housing Credit	159,167
Total Long Depreciation	104,963
Total Short Depreciation	7,000

COST ALLOCATION per Unit	# of Units	Percent of Total
Spring Elliot	16	57.14%
Valgar	12	42.86%
Total Cost	28	100.00%

APPLICABLE FRACTION CALC

Spring & Elliot	**UNITS**	**Square footage**
Housing Credit Units	16	
Total Units	16	
Appllicable Fraction	100.00%	#DIV/0!

Valgar ST		
Housing Credit Units	11	
Total Units	12	
Appllicable Fraction	91.67%	#DIV/0!

03-Jun-10 **Spring Elliot Valgar (SEV Housing)**

	HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
Valgar							
							0
18	3 br		1,328	1	760	59	9,120
20	3 br		1,328	1	506	59	6,072
22	3 br		1,328	1	627	59	7,524
24	3 br		1,328	1	742	59	8,904
26	3 br	TBA	1,328	1	875	59	10,500
28	3 br	TBA	1,328	1	760	59	9,120
30	3 br		1,328	1	627	59	7,524
32	3 br		1,328	1	627	59	7,524
34	3 br	TBA	1,328	1	875	59	10,500
36	3 br		1,328	1	627	59	7,524
38	3 br		1,328	1	795	59	9,540
							0
11 Spring ST							
1	2 Br	TBA	725	1	524	44	6,288
2	2 Br		725	1	573	44	6,876
3	2 Br		725	1	573	44	6,876
4	2 Br		725	1	573	44	6,876
5	2 Br		725	1	533	44	6,396
6	2 Br		725	1	533	44	6,396
	Common area						
15 Spring St							
1	2 Br		725	1	582	44	6,984
2	2 Br	TBA	725	1	711	44	8,532
3	2 Br	TBA	725	1	582	44	6,984
4	2 Br	TBA	725	1	582	44	6,984
5	2 Br		725	1	582	44	6,984
6	2 Br		725	1	582	44	6,984
135 Elliot							
1	1 br		600	1	437	29	5,244
2	1 br		600	1	437	29	5,244
3	2 Br		750	1	540	44	6,480
4	3 br		900	1	650	59	7,800
							0
		Common					
		Totals	26,158	27			201,780

	Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
Valgar							0
16	3 br	<80%	1,328	1	795	59	9,540
							0
	2 Br	100%					0
							0
		Totals	1,328	1	17,610		9,540
	Commercial SF						
	All Units	**Grand Total**	**27,486**	**28**			**211,320**
			Less Vacancy	5.00%			(10,566)
						NET RENT	200,754

OTHER INCOME

Laundry - Interest	1,000
Commercial Income	
TOTAL INC	201,754

TBA = Tenant base rental assistance

03-Jun-10 **Spring Elliot Valgar (SEV Housing)**

	Annual	Monthly	Per Unit Per Month		Spring&Elliot	Valgar
Administration						
Management Fee	20,160	1,680	60		11,520	8,640
Supportive Services	0	0	0			
Audit/Accounting	4,500	375	13		2,250	2,250
Legal	2,000	167	6		1,000	1,000
Compliance Monitoring	1,944	162	6		1,152	792
Marketing	60	5	0			60
Other	346	29	1		346	
TOTAL ADMINISTRATIVE	29,010	2,418	86			
Utilities						
Electricity	3,200	267	10		2,400	800
Fuel	20,400	1,700	61		10,200	10,200
Water and Sewer	14,700	1,225	44		6,200	8,500
Fire Alarm / Emergency	0	0	0			
Other	0	0	0			
TOTAL UTILITIES	38,300	3,192	114			
Maintenance						
Maintenance / Janitor Payrol	25,684	2,140	76		14,760	10,924
Cleaning	2,330	194	7		2,234	96
Exterminating	0	0	0			
Trash Removal	11,958	997	36		4,530	7,428
Snow Removal	5,700	475	17		2,700	3,000
Grounds	2,300	192	7		1,200	1,100
Repairs Material	3,000	250	9		1,500	1,500
Repairs Contract	5,800	483	17		3,000	2,800
HVAC Repairs / Maintenanc	0	0	0			
Elevator Contract / Repairs	0	0	0			
Painting and Decorating	0	0	0			
Other	306	26	1		162	144
TOTAL MAINTENANCE	57,078	4,757	170	per unit month		
Real Estate Taxes	26,134	2,178	78	excl. ds & res	12,499	13,635
Property Insurance	6,622	552	20	468	3,708	2,914
Flood Insurance	0	0	0			
Replacement Reserves	16,800	1,400	50		9,600	7,200
Other "must pay" debt service		0	0			
Other		0	0			
Total	173,944	14,495	518		90,961	82,983

Spring Elliot Valgar (SEV Housing)

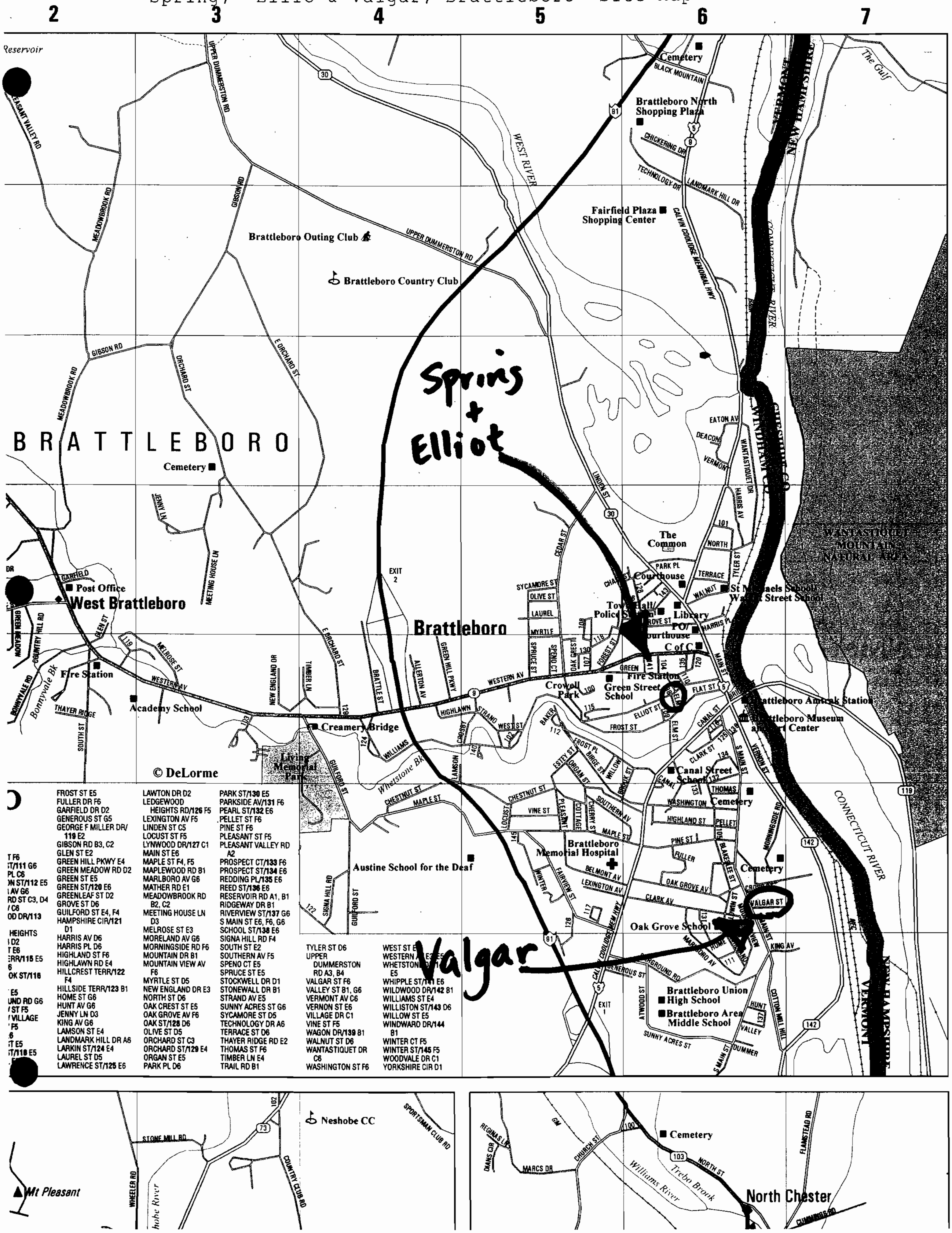
	Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage (NET)	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
														<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
11 Spring	1	1		1	1	1			2	725	524	44	568	1							1				
	2			1	1	1			2	725	573	44	617		1						1				
	3			1	1				2	725	573	44	617		1						1				
	4			1	1				2	725	573	44	617	1							1				
	5	1		1	1				2	725	533	44	577		1						1				
	6	1		1	1				2	725	533	44	577	1							1				
15 Spring	1			1	1				2	725	582	44	626		1						1				
	2			1	1				2	725	711	44	755	1								1			
	3			1	1				2	725	582	44	626	1							1				
	4	1		1	1				2	725	582	44	626	1							1				
	5			1	1				2	725	582	44	626		1						1				
	6			1	1				2	725	582	44	626	1							1				
135 Elliot	1			1	1				1	600	437	29	466		1						1				
	2			1	1				1	600	437	29	466	1							1				
	3			1	1				2	750	540	44	584	1							1				
	4			1	1				3	900	650	59	709		1						1				
Valgar	16			1	1				3	1328	795	59	854				1					1			
	18			1	1				3	1328	760	59	819			1						1			
	20	1		1	1				3	1328	506	59	565	1							1				
	22			1	1				3	1328	627	59	686		1						1				
	24			1	1				3	1328	742	59	801	1							1				
	26	1		1	1				3	1328	875	59	934	1								1			
	28	1		1	1				3	1328	760	59	819		1							1			
	30	1		1	1				3	1328	627	59	686		1						1				
	32	1		1	1				3	1328	627	59	686		1						1				
	34	1	1	1	1				3	1328	875	59	934	1								1			
	36	1		1	1				3	1328	627	59	686		1						1				
	38				1				3	1328	795	59	854				1					1			
Total # Units	28	11	1	27	28	2	0	0	Totals:	27,486	17,610		Total # Units:	13	12	1	2	0	0	0	21	7	0	0	0

03-Jun-10

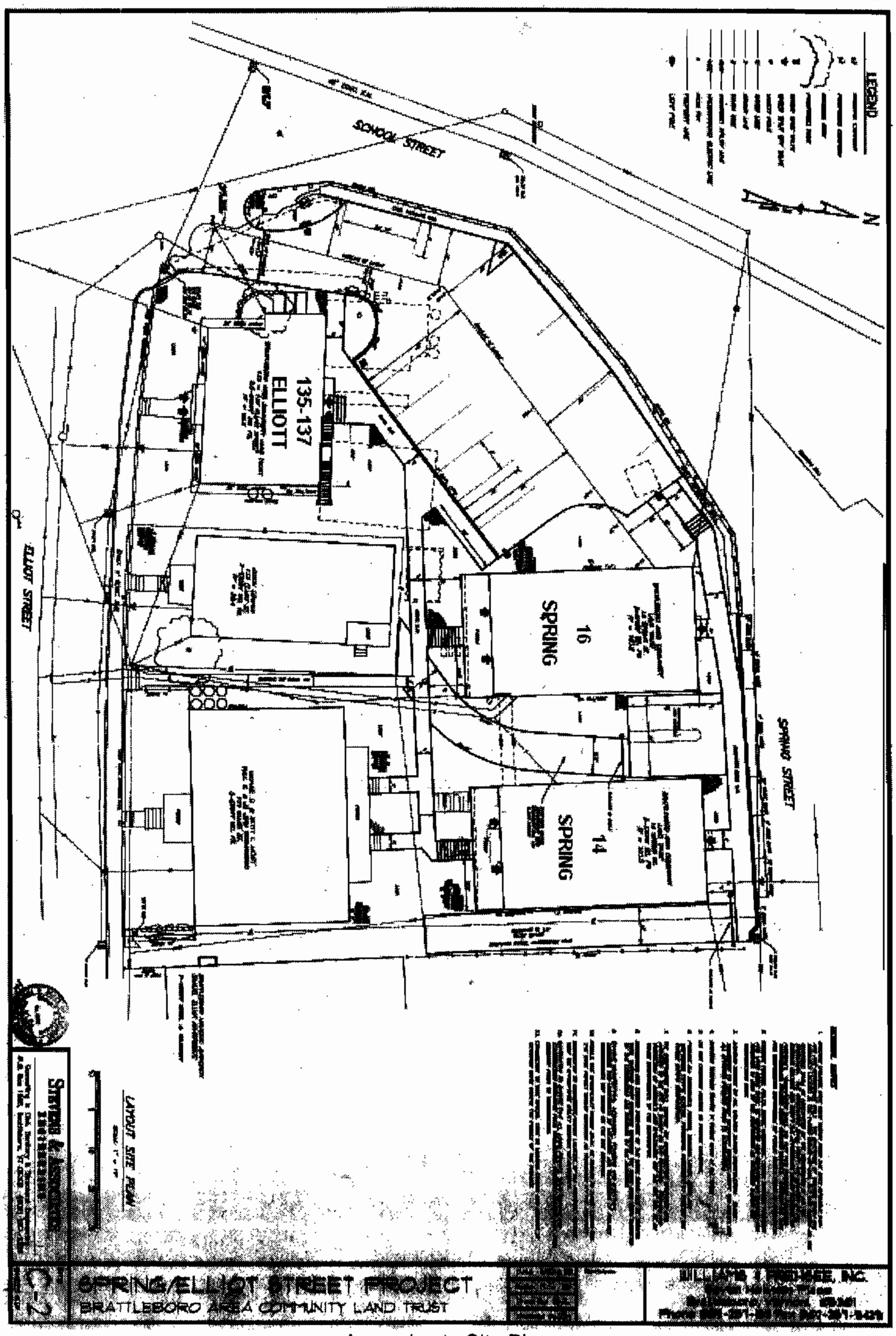
Spring Elliot Valgar (SEV Housing)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Income																
Gross Rent		211,320	214,490	217,707	220,973	224,287	227,652	231,066	234,532	238,050	241,621	245,245	248,924	252,658	256,448	260,295
Other Income		1,000	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143	1,161	1,178	1,196	1,214	1,232
Res Vacancy and other losses		(10,566)	(10,724)	(10,885)	(11,049)	(11,214)	(11,383)	(11,553)	(11,727)	(11,903)	(12,081)	(12,262)	(12,446)	(12,633)	(12,822)	(13,015)
Commercial Vacancy		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Income		201,754	204,780	207,852	210,970	214,134	217,346	220,607	223,916	227,274	230,684	234,144	237,656	241,221	244,839	248,512
Operating Expenses																
Total Expenses (excl. Reserves)		157,144	161,858	166,714	171,715	176,867	182,173	187,638	193,267	199,065	205,037	211,188	217,524	224,050	230,771	237,694
Asset Mgmnt Fee		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	2,500	2,500	0	0	0	0
Reserves		16,800	17,052	17,308	17,567	17,831	18,098	18,370	18,645	18,925	19,209	19,497	19,790	20,086	20,388	20,693
Total Operating Expense		177,944	182,910	188,022	193,283	198,698	204,271	210,008	215,913	221,990	226,746	233,185	237,314	244,136	251,159	258,388
Net Operating Income		23,810	21,870	19,830	17,687	15,436	13,075	10,599	8,003	5,284	3,937	958	342	(2,915)	(6,320)	(9,876)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		23,810	21,870	19,830	17,687	15,436	13,075	10,599	8,003	5,284	3,937	958	342	(2,915)	(6,320)	(9,876)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	2,915	6,320	9,876
Net Cash		23,810	21,870	19,830	17,687	15,436	13,075	10,599	8,003	5,284	3,937	958	342	0	0	0
DCR		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																
Beginning Balance		20,000	44,139	66,504	86,981	105,453	121,796	135,883	147,580	156,750	163,249	168,440	170,669	172,294	170,671	165,631
Deposits		23,810	21,870	19,830	17,687	15,436	13,075	10,599	8,003	5,284	3,937	958	342	0	0	0
Interest	1.5%	329	495	648	785	907	1,012	1,099	1,167	1,215	1,254	1,270	1,283	1,292	1,280	1,242
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	(2,915)	(6,320)	(9,876)
Ending Balance		44,139	66,504	86,981	105,453	121,796	135,883	147,580	156,750	163,249	168,440	170,669	172,294	170,671	165,631	156,997
Cumulative Replacement Reserves																
Beginning Balance		30,000	47,184	64,557	82,274	100,341	118,763	137,545	155,195	159,709	179,528	187,730	125,263	138,278	151,656	172,904
Deposits		16,800	17,052	17,308	17,567	17,831	18,098	18,370	18,645	18,925	19,209	19,497	19,790	20,086	20,388	20,693
Interest	1.0%	384	321	409	499	591	684	780	869	893	994	1,036	725	792	860	968
Withdrawals			0					(1,500)	(15,000)		(12,000)	(83,000)	(7,500)	(7,500)		(40,000)
Ending Balance		47,184	64,557	82,274	100,341	118,763	137,545	155,195	159,709	179,528	187,730	125,263	138,278	151,656	172,904	154,566
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		23,810	21,870	19,830	17,687	15,436	13,075	10,599	8,003	5,284	3,937	958	342	(2,915)	(6,320)	(9,876)
Plus Reserves		16,800	17,052	17,308	17,567	17,831	18,098	18,370	18,645	18,925	19,209	19,497	19,790	20,086	20,388	20,693
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Bridge Loan interest		(18,000)														
Less Long Depreciation		(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)	(104,963)
Less Short Depreciation		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(89,353)	(73,041)	(74,825)	(76,709)	(78,696)	(80,790)	(82,995)	(78,315)	(80,754)	(81,817)	(84,508)	(84,831)	(87,792)	(90,895)	(94,146)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		31,274	25,564	26,189	26,848	27,543	28,276	29,048	27,410	28,264	28,636	29,578	29,691	30,727	31,813	32,951
Plus Tax Credits		158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500	158,500					
After Tax Cash Flow		189,774	184,064	184,689	185,348	186,043	186,776	187,548	185,910	186,764	187,136	29,578	29,691	30,727	31,813	32,951

Spring, Ellio & Valgar, Brattleboro Site Map

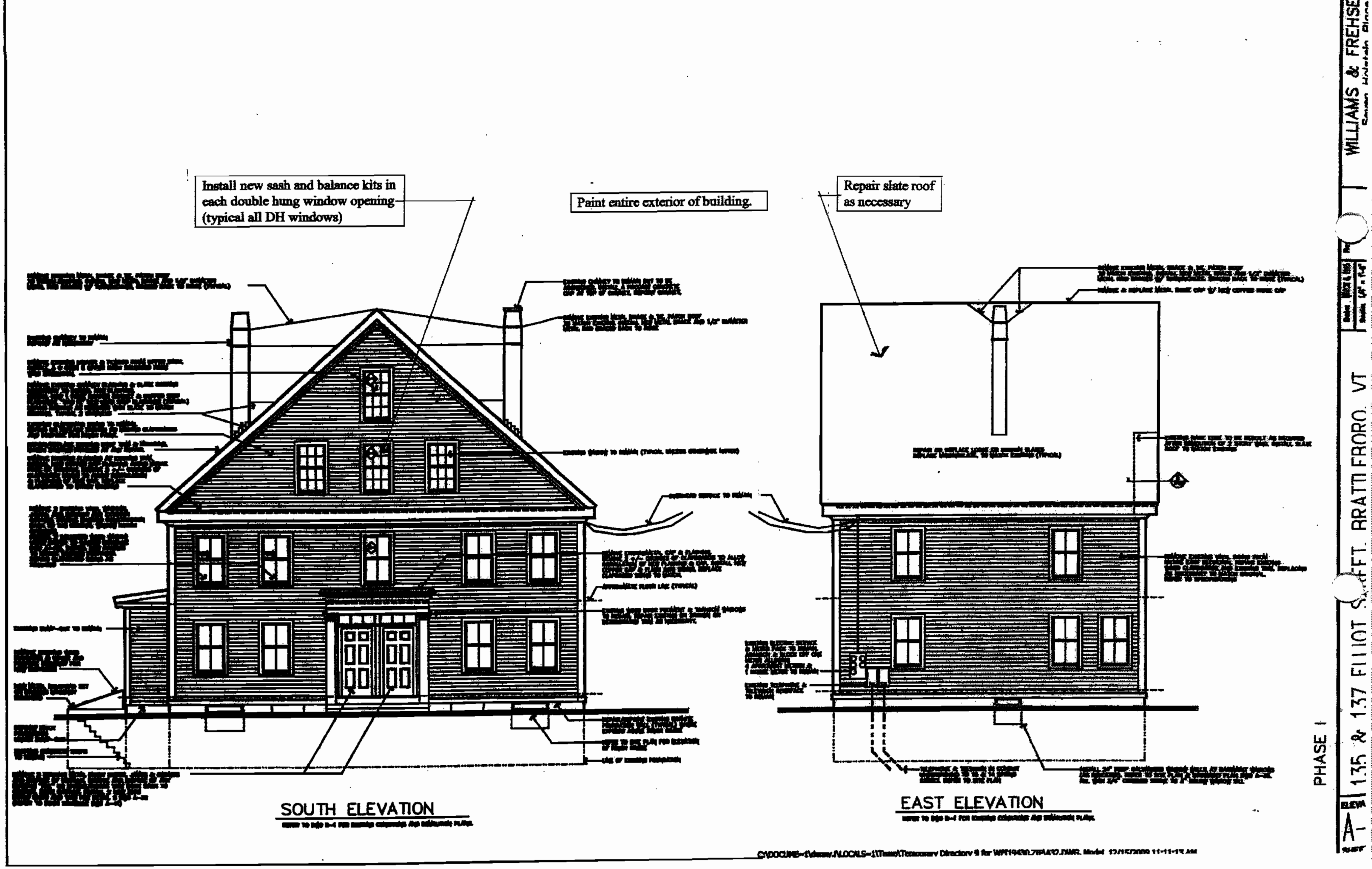


Attachment F

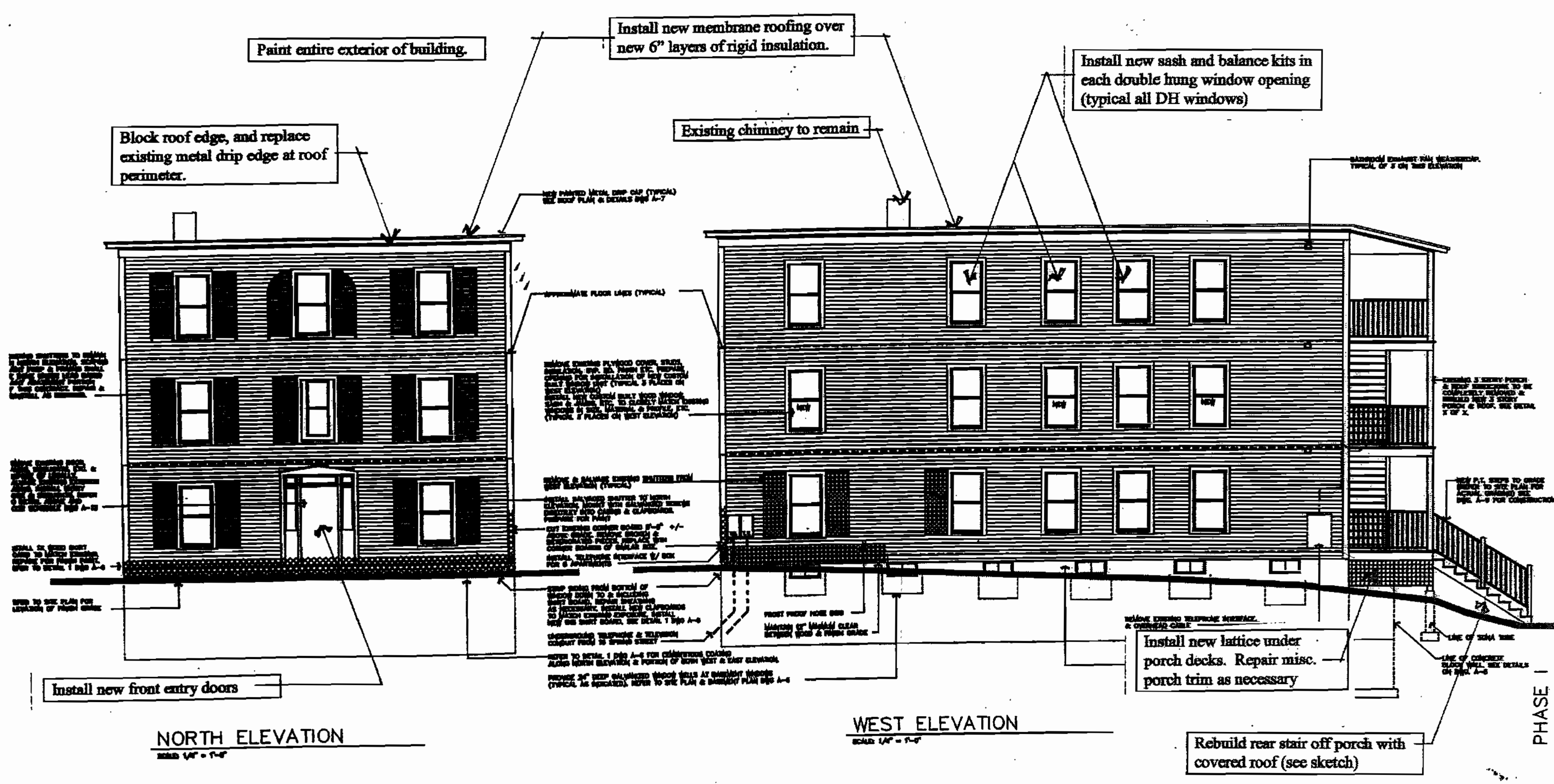


Approximate Site Plan

Attachment B



Attachment B



PHASE I

14 SPRING STREET, BRATTLEBORO, VT.
BRATTLEBORO AREA COMMUNITY LAND TRUST

ELEVATIONS
A-7
SHEET 7 OF

Date: MARCH 6, 1995
Scale: AS NOTED
Drawn By: FLB
Revisions:

WILLIAMS & FREHSEE,
Seven Holstein Place
Brattleboro, Vermont 05
Phone 802-257-1311 Fax 802-2

H:\Sprina Elliot - Valcar #11001\Drawings\Orig 1995 Spring Elliot\A3 - 14 S&E Elevs.DWG, Model, 3/30/2010 11:04:58 AM

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION FINANCING AND PROPOSED USE OF BOND HOUSING CREDITS AND PROPOSED ALLOCATION OF VERMONT AFFORDABLE HOUSING TAX CREDITS (FY2011 STATE RENTAL CREDITS) FOR SPRING, ELLIOT & VALGAR, TOWN OF BRATTLEBORO

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Windham Housing Trust, Inc. (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition and rehabilitation of a total of twenty-eight (28) units of general occupancy rental housing in the Town of Brattleboro (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsor qualifies and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated June 3, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsor for the construction financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsor in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The recommendations for the use of Bond Housing Credits and the allocation of FY2011 State Rental Credits, subject to State appropriation, contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

5. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the use of Bond Housing Credits in an amount necessary for the Development's feasibility and the proposed allocation of FY2011 State Rental Credits in the amount of $50,000.00 for the Spring, Elliot & Valgar housing project in the Town of Brattleboro, Vermont.

6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: June 18, 2010

RE: Request for Increased Construction & Permanent Loans: Windsor Village, Windsor

Name:	Windsor Village	**Location:**	Windsor
Housing Type:	Senior and General	**Unit Type:**	Flats & Townhouses
Unit Count:	77 total units 74 Housing Credit units	**Unit Sizes:**	59 1-BR @ 617 sf 18 2-BR @ 857 sf
Total Cost:	$8,473,680	**Per S.F. Acquisition & Construction Cost:**	$131
Loans Requested:	$3,500,000 Construction $3,294,000 Permanent Both Tax-Exempt	**Sponsors:**	Rockingham Area Community Land Trust (RACLT) & Housing Vermont (HVT)
Other Funding: VHCB, HOME, VFEP, VCDP, Neighborworks, HUD EDI, Efficiency Vermont, Historic Tax Credits; 4% Bond Credits; State Housing Credits			

Summary of Request: The Board previously approved construction and permanent financing, Bond and State Credits, for Windsor Village at the November 19, 2009 meeting. HVT and RACLT are now requesting an increase in their construction loan amount, from $3,000,000 to $3,500,000, and an increase in their permanent loan amount, from $2,584,000 to $3,294,000 for the acquisition and rehabilitation of 77 residential rental units in Windsor.

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence.

Summary of Changes Since Board Approval in November 2009:

- All permits have been secured (except for building permit)
- The project has secured all soft funding except for Neighborworks (anticipated late June)
- Green Mountain Equity Fund IV is the planned equity investor
- Scope of work has been refined and cost estimates have been updated
- Sponsors have preliminary approval from Historic Preservation on window type, and on solar domestic hot water system
- An energy efficient biomass system is proposed and will be included in the bid package
- RACLT has noticed the partnership that it plans to exercise its Right of Refusal to purchase the property per the purchase price formula stipulated in the Right of Refusal signed in 9/29/94

- Sponsors attorney is presenting the Offer to the Limited Partner
- VHFA has agreed to allow interest only payments on the two existing mortgages so the owner can better carry the cost of vacancies being held in preparation for the rehabilitation
- HUD Risk Share Application will be submitted once the higher permanent loan amount is approved
- Staff plans to utilize the Treasury New Issue Bond Program, along with the Risk Share insurance, in order to provide 30 year fixed financing at 5.71% for this project, provided the closing is this calendar year
- Construction and Permanent Loan Closings are anticipated to take place in September, with construction to be completed within one year

6/17/10 **Windsor Village**

Total Rental Residential Units:	77	Increase in Income from Rental Units:	1.00%
Housing Credit Restricted Units:	74	Increase in Income from Other Sources:	1.00%
Percent Restricted:	96.10%	Increase in Income from Commercial:	0.00%
Total Rental Development Cost:	8,363,681	Expense increase:	2.50%
Total Rental Dev. Cost per Unit:	108,619	Vacancy Rate:	3.00%
Total Rental Dev. Cost Per SF:	147	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	273,268	Short Depreciation Schedule:	7 years
State Credit Allocated:	**30,000**	Sponsor's Estimated Yield:	0.81
Credit Amount Allocated:	**250,800**		

LIHTC - 9%	9.00%	
LIHTC - 4%	3.35%	June2010

SOURCES	954,300	% of Total Development Cost	Interest Rate	Amortization	Term	Committed ?
VHFA permanent loan	3,295,800	38.89%	5.71%	30	30	Yes but needs boa
VHCB- Energy Efficiency	165,000	1.95%	0.00%	30	30	Yes
VCDP	330,000	3.89%	0.00%	30	30	Yes
VFEP	300,000	3.54%	0.00%	30	30	Yes
VHCB/HOME	500,000	5.90%	4.00%	30	30	Yes
HUD EDI	243,500	2.87%	4.45%	30	30	Yes
Neighborworks	300,000	3.54%	0.00%	30	30	end June decision
Cash Accounts	81,460	0.96%	N/A	N/A	N/A	Yes
State tax credit equity	124,500	1.47%	N/A	N/A	N/A	Yes
Efficiency VT - REEP	30,800	0.36%	0.00%	30	30	Yes
LIHTC & RITC equity	3,102,620	36.61%	N/A	N/A	N/A	Yes
TOTAL SOURCES	8,473,680	100.00%				

USES		
Acquisition	1,615,686	19.07%
Construction Hard Costs	5,176,115	61.08%
Soft Costs	1,681,880	19.85%
TOTAL USES	8,473,680	100.00%
Gap	0	
VHFA Construction Loan	3,500,000	80% Tax Exempt Bond

General Partner's Capital Contribution	1,015	0.05%
Limited Partner's Capital Contribution	2,030,713	99.99%
Total Equity	2,031,729	100.0%

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	74
Total Units	77
Unit Fraction	96.10%
Tax Credit Square Footage	49,978
Total Residential Square Footage	51,853
Square Footage Fraction	96.38%
Applicable Fraction	96.10%

		Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	153,479	1,993	2.96
2	Purchase of Building(s)	1,381,307	17,939	26.64
3	Demolition (without replacement)	0	0	0.00
4	Property Appraisal	2,500	32	0.05
5	Legal - Title and Recording	3,000	39	0.06
	Acquisition/Carrying Costs	75,400	979	1.45
	Subtotal - Acquisition	1,615,686	20,983	31.16
	CONSTRUCTION HARD COSTS			
6	Rehabilitation	4,221,590	54,826	81.41
7	New Building(s)	0	0	0.00
8	Biomass Heating Plant	110,000	1,429	2.12
9	Sitework	87,010	1,130	1.68
10		0	0	0.00
11	Clerk of the Works	34,320	446	0.66
12	Contractor Overhead	0	0	0.00
13	Contractor Profit	0	0	0.00
14	Construction Contingency	575,000	7,468	11.09
15	Construction Management	0	0	0.00
16	Construction Bond Fee	0	0	0.00
17	Hazardous Materials Abatement	63,495	825	1.22
18	Off-Site Improvements	0	0	0.00
19	Furnishings, Fixtures, & Equipment	84,700	1,100	1.63
20	Other (_______________)		0	0.00
	Subtotal - Hard Costs	5,176,115	67,222	99.82
	SOFT COSTS			
21	Architectural	259,200	3,366	5.00
22	Engineering		0	0.00
23	Legal/Accounting	25,000	325	0.48
24	Relocation	175,550	2,280	3.39
25	Environmental Assessment	8,500	110	0.16
26	Energy Assessment		0	0.00
27	Permits/Fees	28,710	373	0.55
28	Independent Market Study	1,000	13	0.02
29	Construction Period Insurance	5,000	65	0.10
30	Construction Interest	105,500	1,370	2.03
31	Construction Loan Origination Fee	75,940	986	1.46
32	Taxes During Construction	0	0	0.00
33			0	0.00
34	Marketing	0	0	0.00
35	Tax Credit Fees	21,250	276	0.41
36	Soft Cost Contingency	25,000	325	0.48
37	Permanent Loan Origination Fee	0	0	0.00
38	Lender's Counsel's Fee		0	0.00
39	Other (_____________)		0	0.00
	SYNDICATION COSTS			
40	Organizational (Partnership)		0	0.00
41	Bridge Loan Fees and Expenses		0	0.00
42	Syndication Consultant		0	0.00
43	Tax Opinion		0	0.00
	DEVELOPER'S FEES			
44	Developer's Fees	335,000	4,351	6.46
45	Other Partnership Fees	335,000	4,351	6.46
46	Consultant Fees		0	0.00
	RESERVES			
47	Working Capital	45,250	588	0.87
48	Rent-up (Deficit Escrow) Reserve		0	0.00
49	Other Operating Reserves	189,780	2,465	3.66
50	Sinking Fund		0	0.00
51	Replacement Reserves	46,200	600	0.89
	Subtotal - Soft Costs	1,681,880	21,843	32.44
	TOTAL DEVELOPMENT COSTS	8,473,681	110,048	164
				over/(unde
	COST BASIS FOR DEVEL FEE	7,522,451		
	DEVELOPER FEE	670,000		
	DEVELOPER FEE %	8.91%		335,000
	COST BASIS FOR TE BONI	8,171,201		#########
	50% TEST	83%		776,417

17-Jun-10 **Windsor Village**

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other
	ACQUISITION						
1	Land	153,479					
2	Purchase of Building(s)	1,381,307	1,381,307		1,381,307		
3	Demolition (without replacement)	0			0		
4	Property Appraisal	2,500	2,500		2,500	2,500	
5	Legal - Title and Recording	3,000	3,000		3,000		
	Subtotal - Acquisition	1,615,686					
	CONSTRUCTION HARD COSTS						
6	Rehabilitation	4,221,590		4,221,590	4,221,590	4,221,590	
7	New Building(s)	0		0	0		
8	Biomass Heating Plant	110,000		110,000	110,000		
9	Sitework	87,010		87,010	87,010	87,010	
10	0	0		0			
11	Clerk of the Works	34,320		34,320	34,320		
12	Contractor Overhead	0		0	0		
13	Contractor Profit	0		0	0		
14	Construction Contingency	575,000		575,000	575,000	575,000	
15	Construction Management	0		0	0		
16	Construction Bond Fee	0		0	0		
17	Hazardous Materials Abatement	63,495		63,495	63,495	63,495	
18	Off-Site Improvements	0		0	0		
19	Furnishings, Fixtures, & Equipment	84,700		84,700	84,700		
20	Other (________________)	0		0	0		
	Subtotal - Hard Costs	5,176,115					
	SOFT COSTS						
21	Architectural	259,200		259,200	259,200	259,200	
22	Engineering	0		0	0	0	
23	Legal/Accounting	25,000		25,000	25,000	25,000	
24	Relocation	175,550		175,550	175,550	175,550	
25	Environmental Assessment	8,500		8,500	8,500	8,500	
26	Energy Assessment	0		0	0	0	
27	Permits/Fees	28,710		28,710	28,710	28,710	
28	Independent Market Study	1,000		1,000	1,000	1,000	
29	Construction Period Insurance	5,000		5,000	5,000	5,000	
30	Construction Interest	105,500		84,400	105,500	84,400	
31	Construction Loan Origination Fee	75,940		75,940	75,940	56,955	
32	Taxes During Construction	0		0	0	0	
33	Clerk of the Works	0		0	0	0	
34	Marketing	0					
35	Tax Credit Fees	21,250		0	21,250	0	
36	Soft Cost Contingency	25,000		25,000	25,000	25,000	
37	Permanent Loan Origination Fee	0		0			
38	Lender's Counsel's Fee	0		0	0		
39	Other (______________)	0		0	0		
	SYNDICATION COSTS						
40	Organizational (Partnership)	0					
41	Bridge Loan Fees and Expenses	0					
42	Syndication Consultant	0					
43	Tax Opinion	0					
	DEVELOPER'S FEES						
44	Developer's Fees	335,000		335,000	335,000	335,000	
45	Other Partnership Fees	335,000		335,000	335,000		
46	Consultant Fees	0		0	0		
	RESERVES						
47	Working Capital	45,250					
48	Rent-up (Deficit Escrow) Reserve	0					
49	Other Operating Reserves	189,780					
50	Sinking Fund	0					
51	Replacement Reserves	46,200					
	Subtotal - Soft Costs	1,681,880					
	TOTALS	8,473,681	1,386,807	6,534,415	7,878,872	5,953,910	
LESS:	Amount of Non-qualified Financing		0				
LESS:	Historic tax Credit (Residential Portion)			1,071,704	1,190,782	20%	Historic Credit Rate
	Total Eligible Basis		1,386,807	5,462,685		1,190,782	Annual Historic Credit
TIMES:	Adjusted for QCT/DDA	130.0%		7,101,491			
TIMES:	Applicable Fraction	96.10%	1,332,722	6,824,533			
	Total Qualified Basis		1,332,722	6,824,533	6,688,090	Long Term Depreciable Basis	
TIMES:	Applicable Percentage		3.35%	3.35%	27.5	Depreciation Schedule	
	Total Annual Credit Qualified		44,646	228,622	243,203	Annual Depreciation	
	Total Tax Credits Possible	273,268					
	Total Tax Credits Requested	250,800		273,268	84,700	Short Term Depreciable Basis	
	Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,030,916			7	Depreciation Schedule	
	Estimated Yield - Housing Credit Syndication	0.8098			12,100	Annual Depreciation	
	Equity Gap	2,030,916					
	Credits Needed to fill Equity Gap	250,825		1,549,600			

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		617	56	885	0	594,720
2 Br		857	18	952	0	205,632
3 Br		0	0	0	0	0
	Totals	49,978	74			800,352

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		625	3	850	0	30,600
2 Br		0	0	0	0	0
3 Br		0	0	0	0	0
4+ Br		0	0	0	0	0
	Totals	1,875	3			30,600

Common Area Square Footage		0				
	Grand Totals	51,853	77			830,952
		Less Vacancy	3.00%		(25,576)	(24,929)
					NET RENT	806,023

OTHER INCOME

Laundry	750	12	9,000
Parking			0
Commercial Space Income			0
Other			2,400
		TOTAL INCOME	817,423

17-Jun-10 **Windsor Village**

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
Main	A101	1		1	1			1		1	625	885	0	885		1						1				
ABCD	A102				1			1		1	625	648	0	648			1						1			
	A201				1			1		1	625	648	0	648			1						1			
	A202	1		1	1			1		1	625	885	0	885		1						1				
	A301	1		1	1			1		2	800	937	0	937		1						1				
	101	1		1	1			1		1	625	885	0	885		1						1				
	102	1		1	1			1		2	782	937	0	937		1						1				
	103	1		1	1			1		1	625	885	0	885		1						1				
	104	1		1	1			1		1	625	885	0	885		1						1				
	105			1	1			1		2	782	937	0	937		1						1				
	106	1		1	1			1		1	625	885	0	885		1						1				
	107	1		1	1			1		1	625	885	0	885		1						1				
	108	1		1	1			1		1	625	885	0	885		1						1				
	109	1		1	1			1		1	625	885	0	885		1						1				
	110	1		1	1			1		1	625	885	0	885		1						1				
	201			1	1			1		1	625	885	0	885		1						1				
	202			1	1			1		1	625	885	0	885		1						1				
	203			1	1			1		1	625	885	0	885		1						1				
	204			1	1			1		1	625	885	0	885		1						1				
	205			1	1			1		2	796	937	0	937		1						1				
	206			1	1			1		1	625	885	0	885		1						1				
	207			1	1			1		1	625	885	0	885		1						1				
	208			1	1			1		1	625	885	0	885		1						1				
	209			1	1			1		1	625	885	0	885		1						1				
	210			1	1			1		1	625	885	0	885		1						1				
	211			1	1			1		1	625	885	0	885		1						1				
	212			1	1			1		1	625	885	0	885		1						1				
	213			1	1			1		1	625	885	0	885		1						1				
	214			1	1			1		1	625	885	0	885		1						1				
	215			1	1			1		1	625	885	0	885		1						1				
	216			1	1			1		1	625	885	0	885		1						1				
	217			1	1			1		1	625	885	0	885		1						1				
	218			1	1			1		1	625	885	0	885		1						1				
	301			1	1			1		1	625	885	0	885		1						1				
	302			1	1			1		1	625	885	0	885		1						1				
	303			1	1			1		1	625	885	0	885		1						1				
	304			1	1			1		1	625	885	0	885		1						1				
	305			1	1			1		1	625	885	0	885		1						1				
	306			1	1			1		1	625	885	0	885		1						1				
	307			1	1			1		1	625	885	0	885		1						1				
	308			1	1			1		1	625	885	0	885		1						1				
	309			1	1			1		1	625	885	0	885		1						1				
	310				1			1		1	625	648	0	648		1						1				
	311			1	1			1		1	625	885	0	885		1						1				
	312			1	1			1		1	625	885	0	885		1						1				
	313			1	1			1		1	625	885	0	885		1						1				
	314			1	1			1		1	625	885	0	885		1						1				
	315			1	1			1		1	625	885	0	885		1						1				
	316			1	1			1		1	625	885	0	885		1						1				
	317			1	1			1		1	625	885	0	885		1						1				
	318			1	1			1		1	625	885	0	885		1						1				
E	E101			1	1					2	860	964	0	964		1						1				
	E102			1	1					2	860	964	0	964		1						1				
	E103			1	1					2	860	964	0	964		1						1				

	E104			1	1					2	860	964	0	964		1						1				
	E105			1	1					2	860	964	0	964		1						1				
	E106			1	1					2	860	964	0	964		1						1				
	E107			1	1					2	860	964	0	964		1						1				
	E108			1	1					2	860	964	0	964		1						1				
	E109			1	1					2	860	964	0	964		1						1				
	E110			1	1					2	860	964	0	964		1						1				
F	F101			1	1			1		1	585	885	0	885		1						1				
	F102			1	1			1		1	585	885	0	885		1						1				
	F103			1	1			1		1	585	885	0	885		1						1				
	F104			1	1			1		2	915	937	0	937		1						1				
	F201			1	1			1		1	585	885	0	885		1						1				
	F202			1	1			1		1	585	885	0	885		1						1				
	F203			1	1			1		1	585	885	0	885		1						1				
	F204			1	1			1		2	915	937	0	937		1						1				
	F301			1	1			1		1	585	885	0	885		1						1				
	F302			1	1			1		1	585	885	0	885		1						1				
	F303			1	1			1		1	585	885	0	885		1						1				
	F304			1	1			1		2	915	937	0	937		1						1				
	F401			1	1			1		1	585	885	0	885		1						1				
	F402			1	1			1		1	585	885	0	885		1						1				
	F403			1	1			1		1	585	885	0	885		1						1				
	F404			1	1			1		2	915	937	0	937		1						1				
Total # Units		**12**	**0**	**74**	**77**	**0**	**0**	**67**	**0**	**Totals:**	51,815	68,640		**Total # Units:**	0	75	2	0	0	0	0	75	2	0	0	0
									77	95							77					77				
										gross SF	56,997	823,680														
										common SF	5,182								77						77	
										total rental SF	51,815															

17-Jun-10 **Windsor Village**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	62,000	5,167	67	7.6%
Supportive Services	10,000	833	11	
Audit/Accounting	5,200	433	6	
Legal	3,000	250	3	
Compliance Monitoring	5,544	462	6	
Marketing	100	8	0	
Other	33,010	2,751	36	
TOTAL ADMINISTRATIVE	118,854	9,905	129	
Utilities				
Electricity	46,000	3,833	50	
Fuel - oil	54,400	4,533	59	
Water and Sewer	34,500	2,875	37	
Fire Alarm / Emergency	1,500	125	2	
Other	1,500	125	2	
TOTAL UTILITIES	137,900	11,492	149	
Maintenance				
Maintenance / Janitor Payroll	61,400	5,117	66	
Janitor Supplies	5,000	417	5	
Exterminating	500	42	1	
Trash Removal	8,000	667	9	
Snow Removal	8,500	708	9	
Grounds	10,000	833	11	
Repairs Material	24,000	2,000	26	
Repairs Contract		0	0	
HVAC Repairs / Maintenance	4,500	375	5	
Elevator Contract / Repairs	7,500	625	8	
Painting and Decorating	0	0	0	
Other	5,200	433	6	
TOTAL MAINTENANCE	134,600	11,217	146	
				per unit month
Real Estate Taxes	73,000	6,083	79	excl. ds & res.
Property Insurance	18,500	1,542	20	523
Replacement Reserves	46,200	3,850	50	
Primary Debt Service	229,797	19,150	249	
Other "must pay" debt service		0	0	
Other	250	21	0	
Total	759,101	63,258	822	

Admin Other detail

22,650	admin salaries, benefits
0	payroll taxes
360	office exp
12,300	misc admin exp
35,310	total

"Below-the-Line" Expenses:

Special LP or GP Fee	1,500
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	757,601

17-Jun-10 **Windsor Village**

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		852,528	861,053	869,664	878,360	887,144	896,015	904,976	914,025	923,166	932,397	941,721	951,139	960,650	970,256	979,959
Other Income		9,000	9,090	9,181	9,273	9,365	9,459	9,554	9,649	9,746	9,843	9,942	10,041	10,141	10,243	10,345
Vacancy and other losses		(25,576)	(25,832)	(26,090)	(26,351)	(26,614)	(26,880)	(27,149)	(27,421)	(27,695)	(27,972)	(28,252)	(28,534)	(28,819)	(29,108)	(29,399)
Total Operating Income		835,952	844,312	852,755	861,282	869,895	878,594	887,380	896,254	905,216	914,269	923,411	932,645	941,972	951,392	960,905
Operating Expenses																
Total Expenses (excl. Reserves)		483,104	495,182	507,561	520,250	533,256	546,588	560,253	574,259	588,615	603,331	618,414	633,874	649,721	665,964	682,613
Reserves		46,200	46,662	47,129	47,600	48,076	48,557	49,042	49,533	50,028	50,528	51,034	51,544	52,059	52,580	53,106
Total Operating Expense		529,304	541,844	554,690	567,850	581,332	595,144	609,295	623,791	638,643	653,859	669,448	685,418	701,780	718,544	735,719
Net Operating Income		306,648	302,468	298,065	293,432	288,563	283,450	278,085	272,462	266,573	260,410	253,964	247,227	240,191	232,847	225,186
Less Primary Debt Service		229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797	229,797
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		76,851	72,671	68,268	63,636	58,766	53,653	48,289	42,666	36,776	30,613	24,167	17,430	10,395	3,051	(4,610)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,610
Net Cash		76,851	72,671	68,268	63,636	58,766	53,653	48,289	42,666	36,776	30,613	24,167	17,430	10,395	3,051	0
DCR		133.44%	131.62%	129.71%	127.69%	125.57%	123.35%	121.01%	118.57%	116.00%	113.32%	110.52%	107.59%	104.52%	101.33%	97.99%
Cumulative Cash Flow																
Beginning Balance		189,780	269,696	346,950	421,264	492,346	559,891	623,581	683,084	738,055	788,133	832,941	872,089	905,167	931,752	951,400
Deposits		76,851	72,671	68,268	63,636	58,766	53,653	48,289	42,666	36,776	30,613	24,167	17,430	10,395	3,051	0
Interest	2.0%	4,564	6,121	7,622	9,062	10,435	11,734	12,955	14,088	15,129	16,069	16,900	17,616	18,207	18,666	19,028
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,610)
Special LP or GP Fee	2.5%	(1,500)	(1,538)	(1,576)	(1,615)	(1,656)	(1,697)	(1,740)	(1,783)	(1,828)	(1,873)	(1,920)	(1,968)	(2,017)	(2,068)	(2,119)
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		269,696	346,950	421,264	492,346	559,891	623,581	683,084	738,055	788,133	832,941	872,089	905,167	931,752	951,400	963,698
Cumulative Replacement Reserves																
Beginning Balance		46,200	93,786	142,790	169,246	203,207	220,828	236,286	262,545	281,824	299,988	229,022	240,146	250,008	290,088	292,996
Deposits		46,200	46,662	47,129	47,600	48,076	48,557	49,042	49,533	50,028	50,528	51,034	51,544	52,059	52,580	53,106
Interest	2.0%	1,386	2,342	3,327	3,861	4,545	4,902	5,216	5,746	6,137	6,505	5,091	5,318	5,521	6,328	6,391
Withdrawals		0	0	(24,000)	(17,500)	(35,000)	(38,000)	(28,000)	(36,000)	(38,000)	(128,000)	(45,000)	(47,000)	(17,500)	(56,000)	(118,000)
Ending Balance		93,786	142,790	169,246	203,207	220,828	236,286	262,545	281,824	299,988	229,022	240,146	250,008	290,088	292,996	234,493
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		306,648	302,468	298,065	293,432	288,563	283,450	278,085	272,462	266,573	260,410	253,964	247,227	240,191	232,847	225,186
Plus Reserves		46,200	46,662	47,129	47,600	48,076	48,557	49,042	49,533	50,028	50,528	51,034	51,544	52,059	52,580	53,106
Less Interest Expense		(219,026)	(207,187)	(216,623)	(215,281)	(213,837)	(212,284)	(210,614)	(208,820)	(206,893)	(204,824)	(202,603)	(200,222)	(197,668)	(194,930)	(191,997)
Less Long Depreciation		(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)	(243,203)
Less Short Depreciation		(12,100)	(12,100)	(12,100)	(12,100)	(12,100)	(12,100)	(12,100)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(121,481)	(113,360)	(126,733)	(129,552)	(132,502)	(135,581)	(138,790)	(130,028)	(133,495)	(137,089)	(140,809)	(144,654)	(148,621)	(152,706)	(156,908)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		42,518	39,676	44,356	45,343	46,376	47,453	48,576	45,510	46,723	47,981	49,283	50,629	52,017	53,447	54,918
Plus Historic Rehab Credits		1,190,782														
Plus State Credits		30,000	30,000	30,000	30,000	30,000										
Plus Federal Housing Credits		250,800	250,800	250,800	250,800	250,800	250,800	250,800	250,800	250,800	250,800					
After Tax Cash Flow		1,514,100	320,476	325,156	326,143	327,176	298,253	299,376	296,310	297,523	298,781	49,283	50,629	52,017	53,447	54,918
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		1,514,100	320,476	325,156	326,143	327,176	298,253	299,376	296,310	297,523	298,781	49,283	50,629	52,017	53,447	54,918
Future Value of Cash Flows at Yr 15:		3,628,630	724,565	693,535	656,264	621,077	534,126	505,790	472,273	447,365	423,827	65,952	63,918	61,953	60,053	58,213

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: INCREASE IN CONSTRUCTION AND PERMANENT FINANCING AND PROPOSED USE OF BOND HOUSING CREDITS FOR WINDSOR VILLAGE, TOWN OF WINDSOR

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application to the Agency by Housing Vermont and Rockingham Area Community Land Trust, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition and rehabilitation of a total of seventy-seven (77) units of mixed senior and general occupancy rental housing in the Town of Windsor (the "Development") has been updated; and

WHEREAS, the application contemplates one or more mortgage loans for construction and permanent financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsors qualify and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated June 18, 2010, containing information, conditions and recommendations about the Development (the "Memorandum"); and

WHEREAS, this Resolution amends and replaces that certain resolution of the Board of Commissioners adopted November 19, 2009 entitled "Resolution Re: Construction and Permanent Financing and Proposed Use of Bond Housing Credits for Windsor Village, Town of Windsor";

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsors are financially responsible and are qualified housing sponsors within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsors for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsors in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all

requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The recommendations for the use of Bond Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

5. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the use of Bond Housing Credits in an amount necessary for the Development's feasibility for the Windsor Village housing project in the Town of Windsor, Vermont.

6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

TO: VHFA Board of Commissioners

FROM: Patricia A. Crady, Director of Homeownership Programs PC

DATE: June 21, 2010

RE: Summary of Homeownership Activities

PRODUCTION

Production reports by fiscal year as of May 31, 2010 are attached. VHFA's pipeline is approximately $12.3 million. We have seen a reduction in loan reservations since funding for the RD Guarantee Program is no longer available.

COLLECTIONS

Delinquencies were up in May. This is typically the case when the last business day falls on a holiday weekend. We have seen a number of short sales and pre-foreclosure sales in May, and while we don't expect any dramatic additional improvements in the next several months, some borrowers have found jobs and are able to either qualify for a loan modification or repayment plan.

Delinquency and REO reports are attached. As of May 31, 2010 VHFA owns 23 properties; 9 are under contract and expected to close in June and July.

If you have any questions please do not hesitate to call me at 652-3442 or email me at pcrady@vhfa.org.

FY10 Production Summary

July 1, 2009 - June 30, 2010

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY Total
MOVE - MBS	996,691	1,348,406	610,805	166,804	778,340	253,000	1,788,544	585,703	666,170	1,009,026	2,248,446		**10,451,935**
MOVE - Cash Sale			863,780	627,718									**1,491,498**
Direct Loan Program	603,661	380,736	179,400	110,102	179,895	450,200	85,600			128,000			**2,117,594**
Dollar Total	1,600,352	1,729,142	1,653,985	904,624	958,235	703,200	1,874,144	585,703	666,170	1,137,026	2,248,446	0	14,061,027
Total # of Loans	11	12	15	8	8	5	16	4	4	8	14		105

FY09 Production Summary

July 1, 2008 - June 30, 2009

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY Total
MOVE	7,913,135	8,574,063	4,624,303	4,508,466	2,745,710	1,582,622	407,189	539,923	566,600	703,623	955,630	475,260	**33,596,524**
HOUSE	436,200	1,387,090	655,500	234,670	148,000	458,570	440,565			75,000	82,000		**3,917,595**
Dollar Total	8,349,335	9,961,153	5,279,803	4,743,136	2,893,710	2,041,192	847,754	539,923	566,600	778,623	1,037,630	475,260	37,514,119
Total # of Loans	58	72	42	37	22	19	7	5	4	8	9	4	287

FY10 Loan Volume by Lender

July 1, 2009 - June 30, 2010

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD TOTAL
PEOPLES UNITED (CHIT)	2	6	8	1	2	3	10	2	3	5	10		52
CONNECTICUT RIVER	1		3	1			2				1		8
OPPORTUNITIES CU		1					1	2		2	1		7
NAT'L BNK MIDDLEBURY	2			1	1		2						6
NORTHFIELD SAVINGS	1	1	1		1	1	1						6
HERITAGE FAMILY CU	1		2		2								5
UNIVERSAL MTG				2	1	1			1				5
NEW ENGLAND FED CU	1									1	2		4
VT STATE EMP CU				3									3
NORTHEAST HOME LOAN		1	1										2
UNION BANK	1	1											2
VT FEDERAL CU	1	1											2
MTG FINANCIAL SRV	1				1								2
NORTH COUNTRY CU		1											1
BRATTLEBORO SVNGS													0
COUNTRYWIDE (BOA)													0
LAKE SUNAPEE BANK													0
PEOPLES TRUST													0
TOTAL	11	12	15	8	8	5	16	4	4	8	14	0	105

FY10 Dollar Volume by Lender

July 1, 2009- June 30, 2010

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD TOTAL
PEOPLES UNITED (CHIT)	311,757	864,226	945,319	94,800	229,200	334,200	1,004,144	233,050	518,670	595,853	1,509,946		$6,641,165
OPPORTUNITIES CU		222,000					158,000	352,653		389,795	200,000		$1,322,448
CONNECTICUT RIVER	105,060		263,546	110,102			275,400				127,500		$881,608
NAT'L BNK MIDDLEBURY	251,920			128,000	150,400		267,500						$797,820
UNIVERSAL MTG				300,118	127,645	216,000			147,500				$791,263
NORTHFIELD SAVINGS	142,500	110,180	138,500		52,250	153,000	169,100						$765,530
NEW ENGLAND FED CU	146,300									151,378	411,000		$708,678
HERITAGE FAMILY CU	157,600		203,600		225,960								$587,160
MTG FINANCIAL SRV	174,454				172,780								$347,234
VT FEDERAL CU	163,761	162,006											$325,767
UNION BANK	147,000	136,730											$283,730
VT STATE EMP CU				271,604									$271,604
NORTHEAST HOME LOAN		152,000	103,020										$255,020
NORTH COUNTRY CU		82,000											$82,000
BRATTLEBORO SVNGS													$0
COUNTRYWIDE (BOA)													$0
LAKE SUNAPEE BANK													$0
PEOPLES TRUST													$0
TOTAL	$1,600,352	$1,729,142	$1,653,985	$904,624	$958,235	$703,200	$1,874,144	$585,703	$666,170	$1,137,026	$2,248,446	$0	$14,061,027

HOMEOWNERSHIP DELINQUENCY REPORT
FISCAL YEAR 2010

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Average
Total Portfolio #	4866	4824	4801	4761	4678	4665	4636	4608	4575	4546	4517		4680
Total Portfolio $	488.1	483.4	480.7	476.6	469.2	465.1	461.5	458.5	454.3	450.7	447.3		466.9

NUMBER OF DELINQUENT LOANS

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Average
30 Days	201	209	224	219	227	229	239	214	167	176	226		212
60 Days	71	70	70	62	70	83	88	88	71	60	75		73
90 Days	47	52	62	57	57	62	70	62	51	49	48		56
Foreclosure	55	54	53	56	60	62	56	54	45	53	59		55
Total Delq FY 10	374	385	409	394	414	436	453	418	334	338	408	0	397
Total Delq FY 09	316	335	344	334	402	411	388	374	339	353	365	391	363

PERCENT BY NUMBER OF DELINQUENT LOANS

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Average
30 Days	4.13%	4.33%	4.67%	4.60%	4.85%	4.91%	5.16%	4.64%	3.65%	3.87%	5.00%		4.53%
60 Days	1.46%	1.45%	1.46%	1.30%	1.50%	1.78%	1.90%	1.91%	1.55%	1.32%	1.66%		1.57%
90 Days	0.97%	1.08%	1.29%	1.20%	1.24%	1.33%	1.51%	1.35%	1.11%	1.08%	1.06%		1.20%
Foreclosure	1.13%	1.12%	1.10%	1.18%	1.28%	1.33%	1.21%	1.17%	0.98%	1.17%	1.31%		1.18%
Total Delq FY 10	7.69%	7.98%	8.52%	8.28%	8.87%	9.35%	9.78%	9.07%	7.29%	7.44%	9.03%	0.00%	8.48%
Total Delq FY 09	5.58%	5.88%	6.03%	5.86%	7.05%	7.21%	6.82%	6.61%	6.06%	6.37%	6.64%	7.20%	6.44%

DOLLAR AMOUNT OF DELINQUENT LOANS

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Average
30 Days	$17.6	$17.0	$17.1	$16.7	$17.3	$19.1	$19.6	$17.3	$13.6	$14.2	$18.7		$17.1
60 Days	$5.4	$5.6	$5.5	$5.0	$5.4	$6.0	$7.2	$6.8	$5.5	$4.0	$5.6		$5.6
90+ Days	$8.2	$9.0	$9.9	$10.3	$11.0	$11.7	$11.6	$11.2	$9.6	$10.2	$10.3		$10.3
Total Delq FY 10	$31.2	$31.6	$32.5	$32.0	$33.7	$36.8	$38.4	$35.3	$28.7	$28.4	$34.6	$0.0	$33.0
Total Delq FY 09	$22.0	$24.3	$25.8	$25.0	$29.3	$31.0	$29.7	$28.0	$25.2	$27.8	$28.5	$30.9	$27.3

VERMONT HOUSING FINANCE AGENCY
HOMEOWNERSHIP PROGRAM MONTHLY DELINQUENCY REPORT
May 31, 2010

Lenders	Total Loans	30 Days		60 Days		90+ Days		In Foreclosure & Bankruptcy		Total Delinquent		REO	
Peoples United Bank	1051	67	6.37%	29	2.76%	11	1.05%	22	2.09%	129	12.27%	4	0.38%
Community National Bank	312	16	5.13%	4	1.28%	7	2.24%	5	1.60%	32	10.26%	1	0.32%
Graystone Solutions	1742	104	5.97%	32	1.84%	18	1.03%	24	1.38%	178	10.22%	13	0.75%
Union Bank	279	19	6.81%	4	1.43%	1	0.36%	3	1.08%	27	9.68%	1	0.36%
Bank of Bennington	45	2	4.44%	1	2.22%	1	2.22%	0	0.00%	4	8.89%	1	2.22%
Peoples Trust Co.	100	2	2.00%	0	0.00%	2	2.00%	1	1.00%	5	5.00%	1	1.00%
Opportunities CU	108	0	0.00%	3	2.78%	1	0.93%	1	0.93%	5	4.63%	0	0.00%
New England Federal CU	532	11	2.07%	2	0.38%	4	0.75%	2	0.38%	19	3.57%	1	0.19%
Connecticut River Bank	63	2	3.17%	0	0.00%	0	0.00%	0	0.00%	2	3.17%	1	1.59%
Heritage Family Credit Union	158	1	0.63%	0	0.00%	2	1.27%	1	0.63%	4	2.53%	0	0.00%
Brattleboro Savings & Loan	84	1	1.19%	0	0.00%	1	1.19%	0	0.00%	2	2.38%	0	0.00%
Mascoma Savings Bank	43	1	2.33%	0	0.00%	0	0.00%	0	0.00%	1	2.33%	0	0.00%
Totals	4517	226	5.00%	75	1.66%	48	1.06%	59	1.31%	408	9.03%	23	0.51%
Totals Previous Month	4546	176	3.87%	60	1.32%	49	1.08%	53	1.17%	338	7.44%	27	0.59%
Totals Same Mo. Last Yr.	5549	183	3.30%	73	1.32%	40	0.72%	57	1.03%	353	6.36%	15	0.27%

Note: Of the loans in foreclosure, a total of 22 are under a Chapter 13 Bankruptcy Plan

VERMONT HOUSING FINANCE AGENCY

Lenders	May 2009	June 2009	July 2009	Aug 2009	Sept 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	April 2010	May 2010
Bank of Bennington	4.44%	13.46%	13.46%	10.00%	10.00%	10.00%	10.42%	8.33%	8.51%	14.89%	8.51%	6.52%	8.89%
Brattleboro Savings & Loan	7.41%	5.62%	3.37%	5.62%	5.62%	4.55%	3.41%	5.75%	4.65%	4.65%	3.57%	2.38%	2.38%
Community National Bank	8.93%	8.77%	7.69%	8.08%	9.64%	9.06%	10.94%	9.60%	11.46%	10.28%	9.09%	9.18%	10.26%
Connecticut River Bank	3.08%	9.09%	9.23%	3.08%	3.08%	3.13%	4.76%	4.76%	7.94%	6.35%	6.35%	1.59%	3.17%
Graystone	6.87%	7.63%	9.12%	9.62%	10.36%	10.36%	10.17%	11.02%	11.14%	10.77%	8.50%	8.67%	10.22%
Heritage Family CU	2.44%	3.03%	3.64%	3.07%	4.35%	3.73%	3.73%	4.38%	4.38%	5.03%	2.52%	3.80%	2.53%
Mascoma Savings Bank	2.08%	2.13%	0.00%	2.17%	4.35%	6.52%	2.22%	4.44%	4.44%	2.22%	0.00%	2.33%	2.33%
New England Federal CU	2.29%	1.99%	2.35%	2.36%	2.56%	2.42%	2.63%	3.04%	3.44%	2.72%	2.57%	2.78%	3.57%
Opportunites CU	4.24%	4.27%	4.31%	5.22%	4.42%	4.50%	9.09%	7.34%	10.09%	7.41%	4.63%	4.63%	4.63%
Peoples Trust Co.	5.45%	3.70%	3.81%	3.85%	5.77%	4.81%	4.95%	5.83%	6.93%	6.93%	5.00%	4.00%	5.00%
Peoples United Bank	8.68%	9.59%	9.56%	10.21%	10.42%	9.73%	11.36%	12.10%	12.07%	10.93%	9.51%	9.57%	12.27%
Union Bank	8.68%	7.84%	8.33%	8.03%	7.72%	7.82%	8.97%	8.36%	9.79%	8.13%	5.36%	6.79%	9.68%

REO INVENTORY REPORT

As of May 31, 2010

Mortgagor	REO Date	City/Town	Princ. Bal.	Interest	Expenses	Receipts (1)	Total Cost Basis	Valuation Allowance	List Amount (2)	Current Appraisal	Date Last Appraised	Original Appraisal	Loan Date	Type	Comments
Ford	7/24/2008	St. Albans	$ 97,128	$ 3,136	$ 19,164	$ 27,003	$ 92,425	$ -	$ 69,900	$ 120,000	3/5/08	$ 110,000	03/08/06	Condo	Priced Reduced
Mailhiot	8/21/2008	Chittenden	$ 63,262	$ 9,827	$ 24,893	$ 3,607	$ 94,375	$ -	$ 20,000	$ 102,000	9/17/08	$ 80,000	05/03/96	SF	UC $20,000
Greene	3/30/2009	Randolph	$ 68,297	$ 9,733	$ 27,021	$ 35,168	$ 69,883	$ -	$ 69,900	$ 128,000	9/4/08	$ 82,000	10/27/90	SF	Price Reduced
Lovar	5/20/2009	Bolton	$ 29,964	$ 1,270	$ 13,189	$ 12,301	$ 32,122	$ 9,503	$ 23,900	$ 28,000	6/26/2009	$ 32,500	10/1/2002	MH	MH in Park; Price Reduced
Hillier	6/23/2009	Rutland	$ 87,967	$ 7,410	$ 23,924	$ -	$ 119,301	$ 1,273	$ 68,000	$ 82,500	5/26/2009	$ 95,000	12/6/2006	SF	RD Guaranteed; UC $68,000; closing May
Rhoad	8/25/2009	Windsor	$ 146,030	$ 8,029	$ 12,720	$ 37,100	$ 129,679	$ 19,481	$ 94,000	$ 125,000	7/2/2009	$ 165,000	5/25/2007	SF	UC $90,000
Bowen	10/16/2009	Williamstown	$ 49,557	$ 4,311	$ 8,655	$ -	$ 62,523	$ -	$ 53,900	$ 66,000	7/9/2009	$ 63,000	10/8/1997	MH	poor condition
Moore	10/30/2009	Bolton	$ 59,861	$ 4,396	$ 13,245	$ 16,600	$ 60,902	$ 3,388	$ 40,000	$ 64,000	11/17/2009	$ 70,000	6/29/2001	MH	MH in Park
Sears	11/16/2009	Rutland	$ 75,353	$ 4,774	$ 12,868	$ 32,070	$ 61,302	$ 1,112	$ 55,000	$ 68,000	6/17/2009	$ 83,000	6/18/2004	SF	Price Reduced
White	11/16/2009	Swanton	$ 125,508	$ 6,920	$ 9,708	$ -	$ 145,296	$ -	$ 120,000	$ 121,000	6/11/2009	$ 132,000	5/24/2005	SF	RD Guaranteed
McCrillis	11/19/2009	Springfield	$ 134,301	$ 9,825	$ 12,219	$ 56,049	$ 97,785	$ -	$ 87,500	$ 117,000	10/20/2009	$ 135,000	7/31/2006	SF	UC $87,500
Roddy	1/2/2010	Enosburg	$ 110,408	$ 5,844	$ 8,983	$ 30,816	$ 97,655	$ -	$ 72,000	$ 98,000	1/5/2010	$ 125,000	4/30/2004	SF	UC $72,000
McGinnes	1/19/2010	Pownal	$ 138,879	$ 6,004	$ 6,619	$ 52,902	$ 98,600	$ -	$ 70,000	$ 115,000	2/1/2010	$ 144,000	10/4/2006	SF	UC $70,000; closing 6/7/2010
Stone	1/22/2010	Rutland	$ 15,928	$ 2,069	$ 13,688	$ -	$ 31,685	$ -	$ 40,000	$ 20,000	10/2/2009	$ 60,000	10/1/1990	MH	Listed based on MA
Morrie	1/25/2010	Washington	$ 77,162	$ 6,990	$ 9,466	$ 20,663	$ 72,955	$ -	$ 80,000	$ 88,000	12/8/2009	$ 100,000	11/26/2003	MH	
Piche	1/29/2010	Barre	$ 147,307	$ 4,363	$ 7,382	$ 53,200	$ 105,852	$ -	$ 80,000	$ 113,000	11/23/2009	$ 153,000	3/22/2007	SF	UC $80,000; Closing 6/18
Eldred	2/1/2010	St. Albans	$ 171,957	$ 8,061	$ 7,726	$ -	$ 187,744	$ -	$ 130,000	$ 128,000	11/9/2009	$ 175,000	5/31/2006	SF	listed based on ma; RD Guaranteed
Lawrence	2/5/2010	Westminster	$ 50,130	$ 3,362	$ 8,703	$ 550	$ 61,645	$ -	$ 119,000	$ 119,000	4/16/2010	$ 65,000	1/9/1998	SF	UC $119,000; excess proceeds to bankruptcy court
Desrochers	2/28/2010	Alburgh	$ 123,537	$ 10,897	$ 13,938	$ 32,725	$ 115,647	$ -	$ 140,000	$ 118,000	3/12/2010	$ 136,000	6/10/2004	MH	
Hughes	3/1/2010	Fletcher	$ 173,302	$ 11,374	$ 9,242	$ 62,125	$ 131,793	$ -	$ 168,000	$ 168,000	3/4/2010	$ 180,000	7/3/2007	SF	
Lester	3/16/2010	Greensboro	$ 91,192	$ 7,151	$ 7,360	$ -	$ 105,703	$ 3,126	$ 50,000	$ 32,500	4/5/2010	$ 91,000	10/23/2007	SF	RD Guaranteed; Negotiating New Offer
Harms	5/18/2010	North Hero	$ 87,286	$ 4,577	$ 3,541	$ 19,206	$ 76,198	$ -	$ 105,000	$ 75,000	2/22/2010	$ 111,000	8/24/2001	MH	Listed based on MA
Merrill	5/25/2010	Proctor	$ 40,055	$ 3,052	$ 1,976	$ -	$ 45,083	$ -				$ 51,000	4/7/1997	SF	RD Guaranteed; Still Occupied
23			$ 2,164,371	$ 143,375	$ 276,230	$ 492,085	$ 2,096,153	$ 37,883	$ 1,756,100	$ 2,096,000		$ 2,438,500			

REOS that are under deposit

(1) Receipts column represents actual and projected/estimated mortgage insurance claim payments

(2) If Property is under deposit the List Price is the actual sale price.

Interesting Housing Fact

June 28, 2010 Board Meeting

Prepared by Leslie Black-Plumeau

The Local Economic Impact of Typical Housing Tax Credit Developments

Home building immediately stimulates the economy. In addition to providing jobs to workers in the construction industry, funds flow to a variety of local service and goods providers and to local governments in the form of fees and taxes. These funds then ripple through the economy as workers spend their wages in local businesses and businesses replenish their stock.

Increasing the number of homes also provides lasting, recurring economic benefit in a typical community. Each year, the local economy benefits from the activity generated by residents, such as revenue in local stores frequented by residents and additional local government taxes and fees collected. Even if the new occupant of a newly-built unit is someone who already lived in the community, their prior home may very well become occupied by someone from new to the area. It is also possible that the newly-built unit helps the community retain a household who would otherwise move out of the area.

Building 100 new apartments with the Low-Income Housing Tax Credit is likely to create $8.7 million in local income and government revenue and 122 full-time jobs during the initial construction phase, according to estimates from the National Home Builders Association. After residents move in, the apartments are likely to create $2.8 million in local income and government revenue and 30 local jobs each year.

Estimated Economic Benefits of Building
100 Family Apartments with the Low-Income Housing Tax Credit

1-year impacts (during construction phase)		$7.9 million in local income
		$827,000 in taxes and other local government revenue
		122 local jobs
Annual, recurring impacts		$2.4 million in local income
		$441,000 in taxes and other local government revenue
		30 local jobs

Source: National Association of Home Builders, "The Local Impact of Typical Housing Tax Credit Developments", March 2010 Estimates for elderly housing are also available. Although similar to the family estimates, they are slightly lower since elderly units are likely to be slightly smaller and with slightly lower household incomes.

These estimates assume that the new units have an average market value of $120,000, raw land cost of $12,000, local government impact, permit, and other fees of $3,043, and annual property taxes of $1,200. Since economic benefits are directly proportional to the number of units created, the results shown above can be used to estimate the effects of other tax credit developments. For example, a 20-unit project is likely to have impacts equal to 20% of the impacts shown in the table, since the table's benefits apply to a 100-unit project, assuming average project costs, fees, and taxes.

vhfa

Vermont Housing Finance Agency

VHFA Board of Commissioners Meeting Minutes

Vermont Housing Finance Agency, Burlington
Board Room
Monday, June 28, 2010 at 8:00 a.m.

VHFA Board Member Present:

Tom Pelletier (Chair), James Saudade (designee for Kevin Dorn), Beth Pearce, Lisa Randall, Tom Candon, Dagyne Canney, Gus Seelig

Staff Present:

Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller (via conference call), Dave Adams, Tim Gutchell, Cindy Reid, Joe Erdelyi, Josh Slade, Sam Falzone, Renee Couture, Maura Collins

Guests Present:

Al Hans (Piper Jaffray), Chris Flannery (Piper Jaffray), Matt Moore (Housing Vermont), Kathy Beyer (Housing Vermont), Martin Hahn (RACLT), Chris Snyder (Snyder Homes), Tom Currell (Housing Vermont), Liz Nickerson (Nickerson Eller, LLC), John Eller (Nickerson Eller, LLC), John Powell (Homestead Design, Inc.), Bob Marcellino (Homestead Design, Inc.), Jeff Feussner (Homestead Design, Inc.), Tom Barnes (Lamoille Housing Partnership), Jim Dousevicz (Town Meadow, LLC.), Brad Dousevicz (Town Meadow, LLC.), Nancy Owens (Housing Vermont), Amy Wright (CSC), Isaac Wagner (Windham Housing Trust), Rick Bove (Bove Brothers Realty), Amy Demetrowitz (Champlain Housing Trust), Merten Bangemann-Johnson (Gilman Housing Trust), Connie Snow (Windham Housing Trust), Charlie Brush (Green Mountain Development Group)

BOARD MEETING

Mr. Pelletier called the Board meeting to order at 8:15 a.m.

PUBLIC COMMENT

Mr. Pelletier opened the meeting to public comment. No members of the public offered comment. Mr. Pelletier announced that there would be another opportunity in the meeting for public comment.

BOARD MINUTES

Ms. Randall moved that the Board approve the June 14, 2010 Board of Commissioners meeting minutes. Mr. Candon seconded the motion. Ms. Pearce asked that the last sentence of the first paragraph under Swap Analysis Services for GASB 53 Compliance be amended to read: "Ms. Pearce explained that it is for financial statement development more than a comprehensive analysis of the Agency's swap program." Ms. Randall accepted the change. The amended

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

minutes were approved by all members of the Board except Ms. Canney and Mr. Saudade who abstained and Mr. Seelig who was absent for the vote.

EXECUTIVE DIRECTOR'S REPORT
Ms. Carpenter reviewed the Executive Director's report. She explained that we should expect continued publicity with regard to Wharf Lane.

Ms. Randall asked if the Agency would be able to get out of the recently signed contract with Burlington Telecom should something happen to Burlington Telecom. Ms. Carpenter explained that the Agency should be able get out of the contract if needed.

CONSENT AGENDA
Ms. Canney moved that the Board approve the consent agenda. Mr. Saudade seconded the motion, which was approved by all members of the Board except Mr. Seelig who was absent for the vote.

FINANCE
Review of Swap Portfolio
Mr. Hans and Mr. Flannery from Piper Jaffray reviewed the Swap Update – Single Family Housing & Multiple Purpose Indentures presentation.

Ms. Pearce stated that the Agency's swap policy has the risk grid, as outlined in the presentation; however the Agency still had problems. She asked what can be done to reassess the risk grid and mitigation strategy and put together lessons learned. Mr. Flannery stated that this is a very difficult problem for state HFAs right now. He said that just using fixed-rate bonds alone isn't going to allow HFAs to provide competitive mortgages rates. He expects that swaps, going forward, should perform the way they are supposed to (outside of the financial downturn).

Ms. Randall stated that the Agency can't afford to go through another financial crisis. Ms. Carpenter said some of the problem is that some banks/partners were downgraded overnight. Mr. Connors stated that one way to minimize the risk is to diversify (for example, liquidity providers) but there are few to choose from. The Agency has to be constantly vigilant in looking for ways to diversify.

Ms. Pearce suggested that the Agency use a more formalized method of looking at the risks. Mr. Hans agreed and said it is important to look at the "what if" situations. Mr. Connors mentioned the Agency's internal Risk Committee and noted that they are really working on focusing on the priorities in the "what if" situations now.

Ms. Pearce complimented Mr. Connors and the rest of his team on their work in mitigating the basis risk of the Agency's swaps this year.

Ms. Canney asked if there is a recommendation to continue to do swaps to be competitive in the market. Mr. Hans explained there is still an option to do swaps but not many organizations are doing it right now. It would have to be analyzed under a considerable "what if" analysis.

FY 2011 Budget
Mr. Connors reviewed the FY 2011 Budget presentation.

Mr. Saudade asked if the Agency should consider creating an operating reserve. Ms. Carpenter explained that there are already reserves in place. Mr. Connors added that the reserves are in the bond programs. The Agency does fund transfers from the bond programs on an as needed basis. Ms. Pearce said that it would be helpful to see what the projected reserves are. Mr. Connors said that could be made available with the audited financials.

Mr. Candon asked if the Agency can survive for the long term if the track of not putting many loans on the books continues. Mr. Connors explained that the Agency is back on track to profitability for 2010 and 2011, but it would be a significant financial challenge if the Agency's current rate of loan run-off relative to production continued long-term.

Mr. Saudade moved to approve the FY 2011 Budget. Ms. Pearce seconded the motion which was unanimously approved.

Ms. Carpenter explained to the Board that staff worked very hard on developing a new budget forecasting tool this year. It was a real team effort and staff did a great job.

PUBLIC COMMENT
Mr. Pelletier again opened the meeting to public comment. No members of the public offered any comments.

DEVELOPMENT
Tax Credit, TCAP and Loan Applications
Mr. Erdelyi reviewed the criteria tiers for awarding tax credits. More detail was provided in the Board packet. Mr. Seelig noted that there was an excellent group of applicants this year which speaks to staff's good work.

Hausner Building, Essex
Mr. Slade reviewed staff's recommendation regarding Hausner Building and stated that they are not recommending allocated tax credits or permanent financing at this time. Ms. Reid reviewed the findings of the independent Essex market study.

Black River Outlook, Ludlow
Mr. Erdelyi reviewed staff's recommendation regarding Black River Outlook and stated that they are not recommending allocated or state rental tax credits at this time. Mr. Erdelyi passed out a pro forma regarding the project.

Brookside II, St. Albans
Mr. Erdelyi reviewed staff's recommendation regarding Brookside II and stated that they are not recommending allocated tax credits or permanent financing at this time. Mr. Erdelyi passed out a pro forma regarding the project.

Centre Drive, Milton

Mr. Erdelyi reviewed staff's recommendation regarding Centre Drive and stated that they are not recommending allocated tax credits or TCAP funds at this time. Mr. Erdelyi passed out an updated State Consolidated Plan Priorities/ Other Priorities Table (part of the tax credit status report) for Centre Drive.

Morrisville Community Housing, Morrisville
Ms. Reid reviewed staff's recommendation regarding an award of allocated tax credits and TCAP funds to Morrisville. She mentioned that since Stanislaus Housing in West Rutland received a full equity commitment Stanislaus they no longer need an award of TCAP funds submitted for this meeting and can be removed for consideration. Mr. Candon asked if the Agency is in a mode to have to refinance properties in order for the properties to survive structurally and financially. Ms. Reid explained that they are now being built and financed to a higher standard with higher required replacement reserves to minimize future funding needs, although most projects will need some capital infusion in the long term.

Newport Family Housing, Newport
Mr. Erdelyi reviewed staff's recommendation to award allocated tax credits to Newport Family Housing.

Stanislaus Housing, West Rutland
Ms. Reid informed the Board that Stanislaus Housing is no longer in need of TCAP funds as it has received a full equity commitment. The recommendation is to award those TCAP funds to Morrisville instead.

Susie Wilson Road, Essex
Mr. Slade reviewed staff's recommendation to award allocated and state tax credits and to approve a construction loan to the Snyder Company for the Susie Wilson Road project.

Thayer Commons Family, Burlington
Mr. Slade reviewed staff's recommendation regarding Thayer Commons Family and stated that they are not recommending allocated tax credits at this time.

Town Meadow, Essex
Ms. Reid reviewed staff's recommendation regarding Town Meadow and stated that they are not recommending allocated tax credits or permanent financing at this time.

Village at Leddy Park, Senior, Burlington
Mr. Slade reviewed staff's recommendation to award allocated tax credits to Village at Leddy Park, Senior.

Tax Credit Allocations and TCAP and other Loan Approvals
The Board chose to end discussion regarding Hausner Building, Black River Outlook, Brookside II, Centre Drive, Stanislaus Housing and Thayer Commons Family resulting in no tax credits or loans awarded to those projects.

Mr. Seelig moved to approve staff's recommendation for allocated tax credits for Village at Leddy Park and allocated tax credits and TCAP funds to Morrisville. Ms. Randall seconded the motion. Mr. Saudade stated he could not vote on that motion because he would only approve half of it. Mr. Seelig withdrew his motion. Ms. Randall withdrew her second.

Mr. Seelig moved to approve staff's recommendation for allocated tax credits for Village at Leddy Park, Senior. Mr. Saudade seconded the motion, which was unanimously approved.

Mr. Seelig moved to approve staff's recommendation for allocated tax credits and TCAP funds for Morrisville. Ms. Randall seconded the motion, which was approved by all members of the Board except Mr. Saudade who voted no.

Mr. Seelig moved to approve staff's recommendation for allocated tax credits for Newport Family Housing. Ms. Canney seconded the motion. Ms. Pearce said she would rather vote no and leave credits on the table for others. Ms. Carpenter said if the Board is not going to approve this project that staff would like guidance regarding whether there should be future consideration of the project. This project is in terrible shape structurally and needs to be rehabbed or it will be inhabitable. Mr. Seelig mentioned that the impact on the community of rehabbing this run down project will be substantial. He also noted that the affordable units and new rental assistance available are well worth the tax credits. The motion was approved by all members of the Board except Mr. Saudade who abstained because his Agency has been involved with this project, awarding a Vermont Community Development Grant and overseeing the Historic Preservation office.

Mr. Candon moved to approve staff's recommendation for allocated and state rental tax credits and construction financing for Susie Wilson Road. Mr. Seelig seconded the motion. Ms. Canney thought that Town Meadow would be a better use of the tax credits. Mr. Slade mentioned that Susie Wilson has the lowest rents of the projects in the town of Essex as presented today, and that according to the VHFA commissioned market study it will best serve the needs of the town. Ms. Canney asked if it would be possible to award credits to both projects in Essex. Mr. Slade said that it would be but that the market study indicates that Susie Wilson would fill up faster. Staff is not recommending Town Meadow because staff has not been able to get comfortable with or complete the underwriting of the project's financial feasibility and prefer more time to work with the developer for answers and clarification needed to complete staffs review. The motion to award credits to the Susie Wilson Road was approved by all members of the Board except Mr. Saudade who voted no.

Mr. Saudade moved that the Board approve $367,551 in allocated tax credits to Town Meadow. Ms. Randall seconded the motion. Staff discussed their reasons for not recommending the project at this time. There was a discussion about the lower cost of this project. Mr. Saudade requested that the tax credits be approved under two conditions. The first condition being to obtain an acceptable legal option regarding the configuration of the structure regarding fair housing law. Based on a legal opinion outlining that senior and family housing can be within the same structure, the allocated credits could be used towards both portions of the project, senior and family. The second condition being that the project achieves a 115% debt coverage ratio in year one and throughout the life of the project. Ms. Randall seconded the motion. Ms. Carpenter said whether or not they can achieve 115% debt coverage would vary depending on what operating assumptions are used. Mr. Adams noted that staff will underwrite the project operating cash flows using comparable operating expenses from similar projects. Mr. Erdelyi added that awarding tax credits without a more solid financial feasibility review and not more in line with the Qualified Allocation Plan priorities would be a departure from the way VHFA typically does business. Ms. Reid agreed with Mr. Erdelyi and added that as the project is proposed (two condominiums with two wings, one wing (more units) being senior housing with no services) it doesn't meet the allocation plan priorities. Given the low coast of the project, Mr. Saudade said we have to be flexible enough with the plan to absorb this project. Mr. Candon expressed concern that this project only meets two top tier criteria where as all of the other approved projects meet three or more top tier criteria. Ms. Carpenter commented that projects such as Thayer Commons Family Housing did meet more plan priorities and were not being awarded credits at this time. Staff also mentioned that this project was requesting VHFA financing and that they did not have a complete enough application to do a full financial underwriting. Mr. Seelig requested the Board wait until September to approve this project. Mr. Saudade called the question and requested the motion be voted upon without further amendment. The motion was approved by a majority of the Board; with the exception of Mr. Candon and Mr. Seelig who voted no.

PUBLIC COMMENT
Mr. Pelletier again opened the meeting to public comment. Mr. Brush provided a status update on Shelburne Woods, reading a letter drafted by Green Mountain Development Group.

DEVELOPMENT (continued)
Mr. Candon and Ms. Pearce commended Mr. Erdelyi, Ms. Reid and Mr. Slade for their work and thanked them for doing a good job.

Request for Construction, Permanent Financing & Bond Credits: Randolph House, Randolph
Ms. Randall moved that the Board approve Construction, Permanent Financing and Bond Credits for Randolph House as presented. Ms. Canney seconded the motion which was unanimously approved.

Request for Bond Credits, Construction Financing, State Credits: Spring, Elliot, and Valgar, Brattleboro
Ms. Reid reviewed the Request for Bond Credits, Construction Financing and State Credits for Spring, Elliot, and Valgar memo. Mr. Seelig moved that the Board approve the Bond Credits, Construction Financing and State Credits as presented. Ms. Pearce seconded the motion, which was unanimously approved.

Request for Increased Construction & Permanent Loans: Windsor Village, Windsor
Ms. Reid reviewed the Request for Increased Construction & Permanent Loans: Windsor Village memo. Ms. Canney moved that the Board approve the Increased Construction & Permanent Loans as presented. Ms. Randall seconded the motion, which was unanimously approved.

Ms. Carpenter mentioned that Mr. Erdelyi, Mr. Falzone and Ms. Roy had been honored at the recent NCSHA Conference in Chicago for their 20+ years in the tax credit field.

OTHER BUSINESS

Federal Legislative Update

Ms. Carpenter and Ms. Collins provided a handout for the Board regarding recent legislative developments. Ms. Carpenter reviewed the handout.

Tiger Team Update

Ms. Carpenter updated the Board that Mr. Seelig, Ms. Canney, Mr. Adams and herself among others attended a meeting with the Tiger Team consultants (Weidner, Inc.), other housing agencies and other individuals chosen by DEHCD. Mr. Frisbie had been invited but was unable to attend. The group was asked to strategize around the goals of the affordable housing in Vermont. The consultants have asked the Agencies involved to provide an extensive list of information by Friday. Staff is putting in a tremendous amount of additional time into provide that information. The consultants will also be onsite conducting meetings with staff members later in July.. Mr. Seelig mentioned that it might be beneficial for some of the Board members to meet with the consultants.

Mr. Candon moved that the Board adjourn at 2:00 p.m. Ms. Pearce seconded the motion, which was unanimously approved.

vhfa
Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: David S. Adams, Chief of Program Operations
Cynthia Reid, Senior Development Underwriter

DATE: August 2, 2010

RE: Request $10 million loan to Eastview at Middlebury, Inc funded by a private placement Conduit Bond to be purchased by Greenwich Investment Management, Inc on behalf of its investors.

Recommendation: That the VHFA Board of Commissioners pass the attached resolutions and make the required findings as outlined in the resolutions.

Background:
Eastview at Middlebury was first presented to the VHFA Board of Commissioners at its meeting on August 18, 2005. Discussion at that meeting was conceptual in nature, considering a potential construction loan of $12 million and permanent financing of $6 million. Consensus of the Board as reflected in the minutes from that meeting was as follows: "staff was encouraged to move forward on this project with consideration to the questions and concerns raised." Issues and concerns at that time dealt with how the project fit VHFA's statutory authority and its mission purpose. Changes to the VHFA statute have since been made allowing VHFA to finance any residential housing transactions qualifying for tax-exempt status (i.e. 501 (c) (3) entities) so long as certain criteria more fully described below are met. Since that time, the project has been working its way through an extended permitting process. Additionally, conditions in the financial markets precluded VHFA from finding bond investors. The project sponsor has persevered over the last 5 years to put together the current financing package. Interest by potential occupants has remained strong.

Discussions with Greenwich Investment Management, Inc. (GIM) began over a year ago, in conjunction with continuing involvement of Northfield Savings Bank and the National Bank of Middlebury. Underwriting of the project has been performed and completed exclusively by these lenders resulting in an offer for financing with copies of their proposed term sheets attached to this memo. It is important to note that VHFA staff has not underwritten the construction budget or the operating budget. We have been requested to provide a qualified tax-exempt financing only as a Conduit Issuer with all underwriting risk and responsibilities associated therewith running to the investor/clients of Greenwich Investment Management, Inc.

Project Overview
Eastview at Middlebury is a 99-unit planned multi-level retirement community located on South Street in Middlebury, adjacent to the Porter Medical Center campus. Eastview will include 30 one-story cottage homes, 32 independent living apartments, 19 traditional residential care apartments, and 18 special care suites for residents with memory loss. Community facilities will include a dining room, café, country kitchen, media room/auditorium, fitness studio and hair salon. Services will include 24-hour staff, an

emergency response system, dining service, housekeeping, transportation, and a full range of assisted living services.

Cottages and apartments will be offered to residents on an entry fee basis. Entry fees range from $189,500 to $369,500 for apartments and $269,500 to $509,500 for cottages. Monthly fees to support operating costs range from $1,850 to $2,525 for apartments and $1,300 to $1,825 for cottages. Assisted living will be offered on a rental basis and will include 24-hour staff, three daily meals, housekeeping and laundry service, personal care and assistance with medications. Residential care rates at Eastview will range from $160 to $195 per day, and rates for special care are $230 per day. These are in-line with rates elsewhere including Converse Home at $180/day and $225/day respectively.

Eastview's site is owned by Middlebury College which will lease the land to Porter Medical Center for a 99-year term. Porter will then sublease the land to Eastview at Middlebury, Inc. Eastview at Middlebury is a 501 (c) (3) organization with a volunteer board of professional citizens. Operations planning for Eastview has been provided by Third Age Inc, a nationally recognized senior living firm. The firm has held numerous informational meetings with the residents on the wait list and the Board. Eastview is in negotiations with Wake Robin to manage the community. Wake Robin's management of the community is a condition of Greenwich Investment Management (GIM), the proposed bond purchaser of the conduit bonds. Wake Robin's Board of Directors will make this decision on August 25th.

Eastview's marketing program has yielded results: to date 130 households are on a priority wait list. Seventy percent (70%) of the cottages and fifty percent (50%) of the apartments will be under 25% construction deposit at time of closing.

Financing Request and Bond Structure Summary:
Total project cost is estimated at $31.2 million. Pre-construction financing of $2.29 million is being provided by a local investor. These funds will be supplemented by resident construction deposits of $3.1 million prior to construction closing, with additional deposits of $1.1 million coming in during construction. Financing of $18 million is being provided by a consortium of lenders/investors, including construction financing from Northfield Savings Bank ($5.6M) and National Bank of Middlebury ($2.4M), with permanent financing to be provided by VHFA funded through a tax-exempt conduit bond issued to Greenwich Investment Management (GIM) ($10M). At project opening, residents will make occupancy deposits sufficient to repay the construction loans. The project expects to receive a total of $21 million in deposits which, with the $10 million of permanent financing and $2.29 million of venture capital is projected to be sufficient to cover all development costs.

VHFA's financing is to be provided in the form of a permanent loan fully subordinated to the construction loans and secured by liens on all the assets of the Borrower. Copies of the most recent term sheets from GIM and the construction lenders setting out the terms of their respective financings are attached. All of VHFA's rights and interests in the loan and collateral will be assigned to the bond indenture trustee in connection with the issuance of VHFA's conduit bonds to GIM and/or its investment group. Proceeds from the sale of the bonds will fund VHFA's loan to the Borrower. All risk of loss and all rights to payment on the loan will be transferred to the indenture trustee, and under the terms of the bond documentation the bondholders will have no recourse to VHFA, so that VHFA will not have any liability or credit risk with respect to the loan. All payments on the loan will flow directly through the indenture trustee, and VHFA will have no ongoing compliance monitoring or other obligations with respect to the loan. GIM is working with Zions Bank as underwriter and Wells Fargo Bank Corporate Trust as trustee. The bonds will be privately placed with qualified investors and not sold to the general public.

VHFA will earn a one-time .625% up-front conduit bond issuance fee and have bond counsel fees and internal costs reimbursed.

Financing Eligibility:
Following are four determinations which must be made under the Agency's governing statute in order for the Agency to provide financing to a project, as well as a description of how Eastview meets these determinations.

1. The residential housing .... "qualifies for financing with proceeds of federally tax-exempt obligations".

   Since Eastview at Middlebury, Inc., is a 501(c)(3) organization and the housing it is providing is consistent with its 501(c)(3) mission and bylaws, it meets this test.

2. The "acquisition, construction or rehabilitation costs incurred or to be incurred by the housing sponsor under agreement are for housing development costs within the meaning of this chapter."

   The proposed conduit financing meets this requirement.

3. "The agency determines that there exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area or there is a shortage of temporary transitional or emergency housing to be served by the proposed residential housing"

   It is projected that Eastview at Middlebury, Inc., will make annual lease payments starting at $240,000 (subject to CPI adjustments) to Porter Medical Center which will allow Porter to continue to serve low income residents of the Helen Porter nursing home. Currently the nursing home's annual operating deficits are approximately $190,000.The nursing home is the only skilled nursing facility in Addison County, and 70% of its residents (or 70+ individuals) at any given time are Medicaid participants. This lease fee payment will support Porter's community mission to be able to serve hospital patients and nursing home residents regardless of income or ability to pay.

4. "The agency determines that the housing sponsor or sponsors undertaking the proposed housing development will maintain or increase the supply of well-planned, well-designed permanent, temporary transitional or emergency housing for persons or families of low and moderate income and that the sponsors are financially responsible persons or institutions."

   As stated above, Eastview at Middlebury, Inc., is forecast to make land lease payments annually to Porter Medical Center, which will enable the nursing home to continue to serve its predominantly low income residents, and based on the projections provided and the interactions we have had with this entity during the process of putting together this transaction, staff believes that Eastview at Middlebury, Inc., is a financially responsible entity.

Fixed Rate Revenue Bonds

Eastview Middlebury Retirement Community Project

(Modified July 27, 2010 to reflect an increase in the bond size from $9.8M to $10M and a decrease in the stepped up interest rate from 7.75% to 7.50%)

Summary of Terms Acceptable to Greenwich Investment Management (GIM) Subject to Successful Completion of Due Diligence and No Material Change in Market Conditions

The Term Sheet of (Northfield Savings Bank (NSB) and National Bank of Middlebury (NBM) and collectively, the "Senior Construction Lenders") Dated July 22, 2010 is Incorporated by Reference

Approximate Bond Size:	$10 million dollar bond fully subordinated to the Construction Loan [defined term] made by NSB and NBM
Bond Term:	30 years, including a 24 month construction period • Capitalized Interest for 18 months
Interest Rate:	4.00% for 18 months after date of issuance stepping to 7.50% thereafter
Amortization and Purchase in Lieu of Redemption:	Level annual debt service during the 30-year amortization period. In addition, the Borrower may purchase bonds in lieu of redemption in the open market which are selected by GIM with a credit to the next scheduled sinking fund payment for reduction of principal on the bonds without penalty at any time. Bonds purchased subject to this provision shall be cancelled and retired by the Trustee immediately following purchase.
Additional Bond Terms:	• Greenwich Investment Management appointed Bondholder Representative [defined term] at closing; • Bond issued in $5,000 denominations; • 10 years call protection; • GIM may cure any default occurring during or after Construction Period [defined term] through the issuance of additional bonds; • Full access to the books and records of the Borrower at all times with the ability to compel an audit at any time; • Simple majority of bonds outstanding may direct the Trustee; • Supermajority of bonds outstanding may amend

and supplement the bond documents;

- Borrower may not take on any additional long-term debt without the written consent of the Bondholder Representative delivered to the Trustee;
- No reserve funds in connection with the bonds.

Other GIM Requirements to Close :

Proceeds, after underwriter's discount will be applied to:

- capitalized interest for 18 months from issuance
- construction draws
- funding of issuance expenses

Fully executed Management Agreement [defined term] by and between Eastview and Wake Robin.

Zions Bank (Susan Winshall) Boston Office as Underwriter.

Wells Fargo Bank Corporate Trust (Jay Smith) as Trustee.

Vermont Housing Finance Authority as Issuer.

NORTHFIELD SAVINGS BANK

Term Sheet

Proposed terms and conditions are provided for discussion purposes only and do not constitute an offer, agreement or commitment to lend. The actual terms and conditions upon which the Bank might extend credit to the Borrower are subject to satisfactory completion of due diligence, internal approval, satisfactory review of documentation and such other items and conditions as are determined by the Bank.

CONFIDENTIAL

Date:	July 22, 2010
Borrower:	Eastview at Middlebury, Inc. (A non-profit agency)
Loans:	1. Construction: $8,000,000 2. Construction/Permanent: $9,500,000 A total of $8,000,000 of the Construction Loan will be provided by Northfield Savings Bank (NSB or Lead Bank) ($5,600,000) and National Bank of Middlebury (NBM) ($2,400,000) and the balance, $9,500,000 from Greenwich Investment Management (GIM). GIM's construction portion will be fully funded prior to the Bank construction loan funds are utilized and GIM's portion will become the permanent Financing.
Purpose:	To finance the construction of the Eastview at Middlebury Retirement Community project, a 99-unit retirement community consisting of 30 independent living cottages ("Cottages"), 32 independent living apartments ("Apartments"), 19 assisted living units, and 18 "memory care" units. These improvements are to be located on 40+/- acres of leased land owned by Middlebury College (the "Premises").
Pre-Sales:	Prior to Construction Loan closing 70% of the Cottages and 50% of the Apartments will be pre-sold (or reserved) by 25% non-refundable deposits. The Lenders shall have the right to approve any Cottage and Apartment sale or reservation. In addition the Depositors will provide proof of ability to complete the transaction. The lenders will also require the Depositors either sign new agreements or amend the existing agreement to extend the occupancy deadline from November 2011 to May 2012.
Bond Issuance:	This proposed financing structure assumes that GIM will be successful in issuing and funding tax exempt bonds in the minimum amount of $9,500,000 under terms and conditions that are satisfactory to NSB and NBM.
Rates:	1. Floating at WSJ Prime + 2.00% with a floor of 5.25%. 2. Reference GIM Term Sheet of even date
Maturity:	1. Up to 18 months from closing date. 2. Reference GIM Term Sheet of even date
Amortization:	1. Not applicable 2. Reference GIM Term Sheet of even date

Repayment: 1. Interest only monthly.
2. Reference GIM Term Sheet of even date

Prepayment Penalties: Upon prepayment of loan principal balance Borrower shall pay a prepayment penalty as follows:

1. None
2. Reference GIM Term Sheet of even date

Commitment Fee: One percent (1%) of the Bank financing or Eighty Thousand Dollars ($80,000.00)

Collateral: First mortgage on real estate and improvements (all buildings) commonly known as Eastview at Middlebury and located at South Street Extension, Middlebury, Vermont. NSB and NBM will hold a senior position to GIM in lien priority.

First security interest in all equipment and fixtures related to the subject property.

Assignment of rents, leases and contracts, including all construction contracts, plans and permits.

Collateral assignment of all land leases with right of reassignment between Middlebury College, Porter Hospital and Eastview.

Conditions:

1. Satisfactory bank ordered appraisal and appraisal review. Maximum LTV to be established by Lead Bank.
2. Satisfactory Environmental Site Assessment report.
3. Satisfactory title insurance.
4. Satisfactory survey certified to the Lead Bank.
5. Satisfactory builders risk, property and casualty insurance.
6. Satisfactory flood insurance, if applicable.
7. Construction Loan advances to be governed by Construction Loan Agreement that will include, but not limited to, Lead Bank's standard documentation and covenants, a requirement for the submission of monthly AIA documentation, satisfactory title search update and site inspections by the Lead Bank's inspector. Bank Construction Loan advances shall not be used for interest payments or any fees or costs related to loan closing.
8. Borrower shall provide satisfactory legal opinion that all entry fees/deposits can be used by Borrower to fund the construction of the Premises as well as other costs associated with the project including but not limited to Bank fees, construction interest and closing costs.
9. Payment and performance bond on general contractor.
10. Satisfactory review of the land lease agreements by the Lead Bank and Lead Bank counsel. All leases affecting the Premises shall be in form and substance satisfactory to the Lead Bank and subordinate to the lien of the Mortgage and assigned to the Lead Bank with right of reassignment as collateral security for the Loan.
11. Borrower to maintain all deposit accounts with the Lead Bank through out the life of the Loan.
12. Any other condition as reasonably required by the Lead Bank or its counsel.
13. Borrower responsible for all closing costs, including any fees related to the GIM Bond financing, Commitment Fee, Construction Monitoring fees, legal fees (Borrower and Bank), appraisal and

environmental report costs, construction inspection fees and any other fees and expenses related to loan closings and construction loan monitoring.

14. Loan documentation between Borrower and Lead Bank to be reviewed and accepted by NBM and GIM.
15. Wake Robin, Inc. shall provide operations planning and all management services at Eastview.
16. Payment on the preconstruction loans shall be deferred until Lead Bank and its participating Bank have been paid in full. Throughout the construction period the preconstruction loans will remain fully subordinated to Bank financing.
17. Deferments of $400,000 of the contractor payments, $300,000 of architect payments and $200,000 of land lease payments to Porter Medical Center will be required until Lead Bank and participating Bank have been paid in full.
18. A reserve account in the amount of $1,500,000 will be deposited in escrow with the Lead Bank until Lead Bank and participating Bank have been paid in full.
19. An interest reserve account of $250,000 will be established with the lead Bank from the entry fee deposits and used to pay monthly interest payments on the Banks' construction advance.
20. Additional Loan Covenants are possible upon completion of credit underwriting.

Notice: This Term Sheet Proposal is not a commitment to lend on the part of the Bank. It is intended for discussion purposes only. A commitment will be subject to Bank credit approval.

Porter Medical Center, Inc.

Middlebury, Vermont 05753 • (802) 388-4701

July 26, 2010

Ms. Cindy Reid
Senior Development Underwriter
Vermont Housing Finance Agency
P.O. Box 408
Burlington, VT 05402

Dear Ms. Reid,

On behalf of Porter Medical Center, I am pleased to submit this letter to the VHFA in support of the Eastview at Middlebury board of directors and their application for VHFA funding.

Since the inception of the Eastview project, Porter Medical Center (a 501 c 3 organization and the parent corporation of Porter Hospital and Helen Porter Healthcare and Rehabilitation Center) has been collaborating with their board on a land lease arrangement to support our important community mission. The lease payments from Eastview (anticipated to be $240,000 annually with CPI adjustments) will come to our parent corporation, and provide vitally important income in support of our ability to serve our hospital patients and nursing home residents regardless of their financial circumstances or ability to pay.

We anticipate that these annual payments will be extraordinarily helpful for our long-term care facility, Helen Porter, whose residents are predominately Medicaid participants (approximately 70% or 70+ residents at any given time). Helen Porter is the only skilled nursing facility in Addison County available for these Medicaid participants, and plays a critical role in providing a "safety net" for the people of this region who otherwise would need to seek services outside of our community. Following is a brief summary of the history and operational/financial challenges faced by Helen Porter, which illustrates why the Eastview project is vitally important to our organization—

Helen Porter Nursing Home was established in 1970 as a component of Porter Hospital (later Porter Medical Center) as a 50-bed skilled nursing facility and, at the time, the only option for institutional long-term care services in Addison County. Four decades later, Helen Porter has been transformed in many ways, having experienced and navigated a myriad of significant changes in the regulatory and reimbursement environment for long-term care in Vermont.

In the midst of these fundamental policy changes and financial challenges over the past 40 years, Helen Porter has undertaken a variety of extraordinary measures to respond to both the changing needs of our community and the shifting of state resources away from nursing homes and toward "community based" programs and providers.

During the 1980's, the census at Helen Porter Nursing Home consistently remained at or near 100% with a waiting list; creating a serious capacity/operational and financial issue for Porter Hospital as Inpatients awaiting nursing home placement often "backed up" in the hospital due to the lack of nursing home beds.

Thus, in the late 1980's Porter sought and received permission from the State of Vermont to build a new 118-bed nursing home, which was opened in December of 1992.

Approximately three years later, during the Legislative session of 1996, the State of Vermont adopted Act 160; known at the time as the "Shifting of the Balance:" legislation, with a stated goal of reducing nursing home reimbursement by $18.8 million by the end of FY 2000 and re-designing the nursing home reimbursement system to make it more difficult to secure admission into a facility under the Vermont Medicaid program (primarily through a more robust and complex pre-admission screening requirement). The law also promoted the creation and support of many other programs/home-based options that supported the State's goal of keeping Vermonters out of nursing homes whenever possible.

The consequences of this new law and the dramatic shifting of financial resources away from nursing homes and to other types of providers had an immediate and dramatic impact on Helen Porter. During the four fiscal years immediately following the passage of Act 160 (FY 1997 – FY 2000), Helen Porter had a cumulative operating loss of $1,666,622; including a one-year loss of $931,460 in FY 2000 alone. The average daily census declined from 116 residents in 1998 to 101 residents in the year 2000.

In the December 26, 2000 application to the State of Vermont requesting "Extraordinary Financial Relief" for Helen Porter, it was clearly stated that: *"It is almost certain that HPNH will be forced to close during this fiscal year if it does not receive financial relief".* The application also made a commitment to explore "right sizing" the facility given the new environment for long-term care services (i.e. reducing the number of beds from 118 to 105); exploring a new Dementia Special Care Unit and Short-term Rehabilitation beds and implementing a cost-reduction plan via budget cuts (both immediate and phased-in over time). In January of 2001, the State approved Helen Porter's application for an interim enhanced Medicaid rate while Helen Porter implemented the changes outlined in its application.

In FY 2001, HPNH reduced its operating loss to $217,195; (and actually generated small positive operating margins in FY 2002 and 2003). From FY 2004 – FY 2009, the average annual operating loss at Helen Porter has been

$188,951 via expense reduction strategies and the development of the new services described in the application to the State of Vermont; during this time, the facility also established a new name to reflect its new strategic direction***: Helen Porter Healthcare and Rehabilitation Center***. At present, HPHRC is in the process of expanding its Dementia Special Care unit to respond to demand for these memory loss beds; has introduced a new Electronic Medical Record System and continues to investigate other opportunities for revenue enhancements and expense reductions as feasible and appropriate.

The challenges continue, however, as the federal government introduces a new system of nursing home reimbursement effective October 1, 2010 that may have very negative consequences for both our Medicare and Medicaid reimbursement rates going forward. Also, HPHRC is experiencing an unexpected drop in census that appears to mirror a statewide trend. The combination of downward pressure on our reimbursement rate(s) and lower than budgeted census creates additional financial burdens for HPHRC that must be addressed if Helen Porter is to remain financially viable and able to fulfill its essential community mission.

Thus, the anticipated support generated by the Eastview lease payments will be vitally important to supporting the mission of PMC of maintaining nursing home bed capacity for members of our community and serving our Medicaid population.

As further illustration of the community mission of Porter Medical Center, Porter Hospital provides substantial free care to our patients who are unable to pay for necessary medical services. In FY 2009 alone, Porter Hospital provided $1,034,704 in charity care for our patients. This amount has more than doubled since 2005 and continues to increase.

Therefore, we believe that the Eastview at Middlebury project is vitally important to our community and to supporting and improving the spectrum of health care resources so that the people of Addison County have access to the most appropriate services at every level of the continuum of care.

Please let me know if you have any questions.

Sincerely,

James L. Daily

James L. Daily
President

JLD/s

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PERMANENT FINANCING
FOR EASTVIEW AT MIDDLEBURY, TOWN OF MIDDLEBURY

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Eastview at Middlebury, Inc. (the "Borrower") involving the permanent financing of ninety-nine (99) units comprising a planned multi-level retirement community in the Town of Middlebury (the "Development"); and

WHEREAS, the Agency desires to take "official action" for the purpose of, and to reimburse itself or the Borrower for any advances of funds prior to, the issuance and sale of tax-exempt bonds (the "Bonds") to finance one or more loans to the Borrower; and

WHEREAS, the application contemplates one or more mortgage loans for permanent financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Borrower qualifies as a housing sponsor within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from David S. Adams and Cynthia Reid dated August 2, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for occupancy by persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsor are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, or there is a shortage of temporary transitional or emergency housing to be served by the proposed Development.

4. The housing sponsor undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Borrower is financially responsible and is a qualified housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the Borrower for the permanent financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Borrower in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the permanent financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter shall be conditioned on the satisfaction by the Borrower of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The issuance of the Bonds for the purpose of financing one or more loans to the Borrower is hereby preliminarily approved, and, pursuant to Section 1:150-2 of the Internal Revenue Code Regulations, the Agency hereby states its intention to reimburse itself from Bond proceeds for any advances of Agency funds prior to the issuance of the Bonds.

4. The preliminary approval described in the preceding paragraph does not obligate the Agency to give final approval for the issuance of said Bonds. Final approval of the issuance of the Bonds can only be authorized by independent action, which may contain such conditions thereto as the Agency may deem appropriate. The Agency in its absolute discretion may refuse to finally authorize the issuance of the Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.

5. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

Resolution Authorizing the Issuance and Sale of a Maximum of $11,000,000

of Revenue Bonds to Finance a Retirement Community Project in Middlebury

Adopted August ___, 2010

TABLE OF CONTENTS

VERMONT HOUSING FINANCE AGENCY
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A MAXIMUM OF $11,000,000 OF REVENUE BONDS TO FINANCE A RETIREMENT COMMUNITY PROJECT IN MIDDLEBURY

August ___, 2010

WHEREAS, the Vermont Housing Finance Agency (hereinafter referred to as the "Agency") is authorized to finance mortgage loans for multifamily housing if at least 20% of the units are for occupancy by persons and families of low and moderate income or the housing qualifies for financing with proceeds of federally tax-exempt obligations, pursuant to the provisions of the Vermont Housing Finance Agency Act, being No. 260 of the Vermont Acts of 1973, Adjourned Session, as amended (hereinafter referred to as the "Act"), and to issue its bonds to obtain funds for such purpose and to refund the same; and

WHEREAS, the Agency desires to make a mortgage loan to finance a multi-level retirement center containing 30 one-story cottage homes, 32 independent living apartments, 19 residential care apartments, 18 special care suites for residents with memory loss and related facilities, to be called Eastview At Middlebury (the "Project"), in Middlebury, Vermont, to be developed and owned by Eastview At Middlebury, Inc., a 501(c)(3) nonprofit organization, or an affiliate thereof (the "Owner"), on land owned and leased/subleased from Middlebury College, all as described in more detail in a separate submission to the Board; and

WHEREAS, in order to obtain funds with which to make such mortgage loan to acquire, construct and rehabilitate the Project, it is deemed necessary and advisable to issue and sell one or more series of limited obligation revenue bonds of the Agency, not to exceed $11,000,000 in the aggregate, all as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE VERMONT HOUSING FINANCE AGENCY and the Commissioners thereof, as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Definitions. As used in this Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"*Bonds*" means the Revenue Bonds of the Agency of the Series authorized by this Resolution and a Trust Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*DTC Eligible*" means Bonds issued in book-entry form through the facilities of a securities depository, to provide for the registration of such depository's nominee as owner thereof.

"*Mortgage Loan*" means any mortgage loan with respect to the Project as authorized by the Act to be made or financed by the Agency.

"*Project*" means Eastview At Middlebury, located in Middlebury, Vermont.

"*Offering Statement*" means the Official Statement, Private Placement Memorandum or similar offering document of the Agency describing the Bonds and used in conjunction with the sale thereof.

"*Resolution*" means this Resolution Authorizing the Issuance and Sale of a Maximum of $11,000,000 of Revenue Bonds to Finance a Retirement Center Project in Middlebury.

"*Series Certificate*" means the Series Certificate or Certificates of the Agency dated on or before the date of issuance of the related Series of Bonds which Series Certificate shall establish certain terms and provisions of such Bonds as provided herein, particularly Section 2.03 (a)-(f), (i), (m), (o), (q)-(s) and (u)-(x).

"*Trust Indenture*" means the Trust Indenture, meeting the criteria hereinafter specified, between the Agency and a commercial bank acting as trustee (such bank to be selected as hereafter specified) (the "Trustee"), as it may be amended or supplemented.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution.

Section 1.02. Authority for Resolution. This Resolution is adopted pursuant to and in accordance with the provisions of the Act.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds, Principal Amount and Series. In order to provide funds to make a Mortgage Loan to finance the Project, in accordance with and subject to the terms, conditions and limitations established in this Resolution and in any other resolutions adopted by the Agency, one or more series of Bonds are hereby authorized to be issued, evidenced by the execution and delivery of a Series Certificate and Trust Indenture, in an aggregate principal amount not to exceed $11,000,000. Such Bonds shall be revenue bonds payable solely and only from the Mortgage Loan revenues, and Trust Indenture funds and accounts, pledged therefor, and must have a minimum bond rating of investment grade unless sold on a private placement basis to one or more accredited or qualified institutional investors. Such Series Certificate shall be signed by at least two, and the Trust Indenture by at least one, of the following—Chairman, Vice-Chairman, Executive Director, Chief Financial Officer or Chief of Program Operations; provided that one of the signatories to the Series Certificate must be the Chairman or Vice-Chairman. The Agency is of the opinion and hereby determines (a) that the issuance of Bonds in said amount is necessary to provide sufficient funds to be used and expended from time to time to make the Mortgage Loan to finance the Project; (b) that the Mortgage Loan to be made or financed on behalf of the Agency with the proceeds of the Bonds can be issued bearing a rate or rates of interest which will be less than the prevailing rate of interest on comparable mortgage loans available in the State of Vermont without the assistance of the Agency; and (c) that the Agency will derive receipts, revenues and other income from the Mortgage Loan purchased or made with the proceeds of the Bonds sufficient to provide, together with all other available receipts, revenues and income of the Agency pledged therefor, for the payment of the Bonds and the payment of all costs and expenses incurred by the Agency with respect to the purpose for which the Bonds are issued.

Section 2.02. Purposes. The purposes for which the Bonds are being issued are to provide funds to make or finance a Mortgage Loan to finance the Project, including making deposits in any funds or accounts (including any reserve funds), all as shall be specified in detail in the Series Certificate and Trust Indenture as hereinafter described. The Mortgage Loan and the Project have been approved by separate resolution of the Agency.

Section 2.03. Bond Provisions; Series Certificate and Trust Indenture. The Bonds shall be issued hereunder only upon the delivery of the Series Certificate and Trust Indenture which shall specify the terms and conditions of such Bonds and the sale and delivery thereof, including without limitation the following:

(a) the principal amount of Bonds to be issued pursuant thereto;

(b) the Series or sub-Series designation and title;

(c) the maturity or maturities of the Bonds, which in no event shall exceed 35 years;

(d) the interest rate or rates on the Bonds or the method of determining the same, provided that the interest rate or rates on the Bonds (or the initial rate or rates if the rates are not fixed rates) shall not exceed 8% if the interest on the Bonds is to be exempt from federal income taxation or 9% otherwise, and provided further that if the initial rate or rates are not fixed rates the maximum permitted rate in any case may not exceed 12%;

(e) the date or dates on which interest on the Bonds is payable;

(f) the dated date or dates of the Bonds, or the method of determining the same;

(g) the redemption provisions for the Bonds, which may include optional, mandatory and/or sinking fund redemptions;

(h) the minimum and authorized denominations of the Bonds;

(i) whether or not the interest on the Bonds is to be exempt from federal income taxation;

(j) whether or not the Bonds are to be DTC Eligible;

(k) the form or forms of the Bonds, the manner of numbering and lettering such Bonds, and the Agency commissioners or officers authorized to execute and deliver the same;

(l) the source of revenues to be pledged and used to pay the same, which pledge shall be immediately effective as provided by the Act;

(m) that the Agency will derive receipts, revenues and other income from the Mortgage Loan made or purchased with the proceeds of such Bonds sufficient to provide, together with all other available receipts, revenues and income of the Agency pledged therefor, for the payment of such Bonds and the payment of all costs and expenses incurred by the Agency for the purpose for which such Bonds are issued;

(n) the reserve fund or funds, any requirements with respect to the Bonds, and the method of funding the same;

(o) whether the Bonds shall be insured or guaranteed by a third party, and the premium or fee therefor, provided that such premium or fee shall be less than the present value of the interest rate savings on the Bonds occasioned by such insurance or guaranty;

(p) the specific use of the proceeds of the sale of the Bonds and the Mortgage Loan to be financed thereby;

(q) the manner in which the Bonds are to be sold, the underwriters or purchasers of the Bonds, the form of the agreement used to sell the Bonds (which form shall be comparable to the forms previously used by the Agency in similar sales of bonds) and the sale price of the Bonds, which may include a sale discount or fee paid to the underwriters or purchasers not to exceed 1.5% of the principal amount of the Bonds;

(r) if the Bonds are to be remarketed, the remarketing agent therefor and the remarketing agent fee (which shall not exceed 0.50% per annum);

(s) if the Bonds are subject to tender by the owners thereof, the tender agent therefor and any liquidity facility therefor, provided that any liquidity facility fee shall not exceed 1.50% per annum;

(t) the covenants, defaults, remedies and related provisions with respect to the Bonds;

(u) the form of the Offering Statement, if any is used to sell or market the Bonds (which form shall be comparable to the forms previously used by the Agency in similar sales of revenue bonds);

(v) the form of continuing disclosure agreement, if any, required to satisfy the federal securities laws (which form shall be comparable to the forms previously used by the Agency in similar sales of Bonds);

(w) the trustee and/or paying agent, if any, for the Bonds;

(x) whether or not any investment agreements, repurchase agreements or similar instruments are to be used for the investment of all or any Bond proceeds, and any conditions thereto or limitations thereon; and

(y) any other matters not inconsistent herewith deemed appropriate and necessary and authorized by the Act.

ARTICLE III

SPECIAL COVENANTS FOR TAX-EXEMPT BONDS

Section 3.01. Covenants as to Code. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation, the Agency shall not permit at any time or times any moneys made available to purchase the Mortgage Loan in accordance herewith or any proceeds of the Bonds to be used, directly or indirectly, in a manner which would result in such bonds being qualified for the exclusion of any such Bond from the treatment afforded by subsection (a) of Section 103 of the Code by reason of such bond being classified as an "arbitrage bond" within the meaning of Section 148 of the Code, and, without limiting the generality of the foregoing, the Agency shall:

(a) Include restrictions in all agreements relating to the purchase or making of the Mortgage Loan with the moneys made available to purchase or make the Mortgage Loan so as to permit the financing of the Mortgage Loan only in compliance with the Code, and establish and maintain reasonable procedures to ensure compliance with the requirements of the Code, if applicable;

(b) Continuously monitor the nonmortgage investments made directly or indirectly with the proceeds of such Bonds and shall take immediate and appropriate action to reduce the amount invested in nonmortgage investments with a yield materially higher than the yield on such Bonds as may be required by the Code; and

(c) Take such other action as may be necessary or desirable to maintain the exclusion of interest on such Bonds in accordance with Section 103(a) of the Code.

Section 3.02. Rebate. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation:

(a) The Agency hereby covenants to establish, or cause to be established, such separate accounts or subaccounts in the Trust Indenture as may be necessary or desirable to adequately trace and account for the direct and indirect proceeds of such Bonds in order to comply with the rebate or yield reduction payment requirements of Section 148 of the Code.

(b) At least annually, the Agency shall compute and certify, or cause to be computed and certified, in reasonable detail the amount required to be rebated to the United States pursuant to Section 148 of the Code.

(c) As required by Section 148 of the Code, the Agency or the Bond trustee as directed by the Agency shall pay to the United States, from moneys held under the Trust Indenture, the amount then required to be paid under Section 148 of the Code.

(d) The Agency or the Bond trustee as directed by the Agency shall keep such records as will enable them to fulfill their responsibilities under this Section and shall retain such records for at least six years following final payment of the related Bonds.

Section 3.03. Compliance With Article III. If and to the extent a Series or sub-Series of Bonds is designated as Bonds the interest on which is not to be subject to federal income taxation, the provisions of this Article III shall be complied with by the Agency in order to meet the requirements of the Code such that interest on such Bonds shall be and remain exempt from federal income taxes; provided, however, that the Agency shall not be required to comply with any such provision with respect to such Bonds in the event the Agency receives a Counsel's Opinion from a nationally recognized bond counsel firm that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Article III will satisfy said requirements, in which case compliance with such other provision specified in the Counsel's Opinion shall constitute compliance with the provisions specified in this Article III.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Amendments. This Resolution may be amended from time to time prior to the issuance of the Bonds, which right shall be in addition to any other rights to amend.

Section 4.02. General. The Agency may adopt, and specify in an Officer's Certificate, any additional covenants as to the Mortgage Loan, Mortgagor or related documents, including without limitation any loan or financing agreement, reimbursement agreement with respect to a credit or liquidity facility, or regulatory agreement.

Section 4.03. Authorization of Officers. The Chairman, Vice Chairman or any other Commissioner of the Agency, Executive Director, Chief Financial Officer, Treasurer, Chief of Program Operations and Secretary of the Agency are hereby authorized and directed to do all acts and things (including the conduct of any public hearings required by federal tax laws) and to execute and deliver any and all documents, filings, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by this Resolution.

Section 4.04. Effective Date. This resolution shall take effect immediately.

EASTVIEW AT MIDDLEBURY
DEVELOPMENT PLANS
AUGUST 2010

Greenwich Investment Management
Northfield Savings Bank
National Bank of Middlebury
Vermont Housing Financing Agency

Atlantic
Retirement Communities
239 Water Street ▲ Newburyport, MA 01950

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

Eastview At Middlebury is a planned, multi-level retirement community located on South Street in Middlebury, adjacent to the Porter Medical Center campus. The community will include 30 one-story cottage homes, 32 independent living apartments, 19 traditional residential care apartments, and 18 special care suites for residents with memory loss. Community facilities will include a lobby, dining room, private dining room, café, country kitchen, media room/auditorium, fitness studio and hair salon. Services will include an emergency response system, 24-hour staff, dining service, housekeeping, transportation and a full range of assisted living services.

Cottages and apartments will be offered to residents on an entry fee basis. Entry fees range from $189,500 to $369,500 for apartments and from $269,500 to $509,500 for cottages. Monthly fees to support operating costs range from $1,850 to $2,525 for apartments and $1,300 to $1,825 for cottages. Assisted living will be offered on a rental basis and will include 24-hour staff, three daily meals, housekeeping and laundry service, personal care, and assistance with medications. Traditional residential care rates are $160 to $195 a day and the rate for special care is $230 a day.

Total project costs are estimated at $32.6M. Pre-construction financing of $2.3M has been provided by a local investor. Future residents will provide construction deposits of $3.1M prior to construction with additional deposits of $500K during the construction period. These funds will be supplemented by $10M in tax-exempt bonds issued by the Vermont Housing Finance Agency and purchased by Greenwich Investment Management. Additionally, short-term construction financing of $8M will be provided through Northfield Savings Bank and National Bank of Middlebury. At project opening, residents will make occupancy deposits which will repay the bank construction loans. A development surplus after all units are sold is projected at $845K.

Fifty percent of independent living units at Eastview have already been reserved by non-refundable construction deposits and lenders are requiring additional construction deposits prior to construction. A construction start is anticipated for September 2010, with occupancy of cottages beginning in October 2011 and the Inn in December 2011. Stabilized occupancy of the community is expected to require 20 months following opening. At stabilization, operating surpluses are projected at $400K annually.

Eastview's site is owned by Middlebury College which will lease it to Porter Medical Center for a term of 99 years. Porter will sublease the land to Eastview At Middlebury, Inc., a 501 (c) 3 organization. The community will be governed by a volunteer board of citizens whose mission it is to create the highest quality retirement community at the most reasonable cost to residents. Operations planning for Eastview has been provided by third Age Inc., a nationally recognized firm in senior living.

The Eastview community will offer a continuum of housing and health care options on a campus located adjacent to Helen Porter Nursing and Rehabilitation Center. The program is designed to serve multiple segments of the elder population and offer individual residents the benefit of remaining in their community as their care needs increase.

II. BACKGROUND

A. Market Summary

In fall 2005, Eastview At Middlebury opened a marketing program and began accepting $1,000 refundable priority wait list deposits. The planned community has been very well received and currently 140 households are on Eastview's priority list program. The marketability of Eastview has been greatly enhanced by its local non-profit sponsorship and desirable South Street location, offering stunning mountain views and close proximity to Middlebury College and the Porter Medical Center campus. In December 2009, following final Act 250 permitting, Eastview began accepting non-refundable construction deposits on cottage and apartment homes and currently 50% of homes are under deposit. An April 2009 Market Analysis, updated in April 2010, conducted by Northbridge Senior Living, confirms market feasibility for the community.

B. Project Timetable

Construction drawings for the project are complete and the construction manager has developed a Guaranteed Maximum Price (GMP) construction contract. A construction start is planned for September 2010, pending the receipt of 25% construction deposits on 70% of planned cottages and 50% of independent living apartments. Occupancy of a first phase of cottages is planned for October 2011, with the opening of the Inn scheduled for December 2011.

C. Development Team

Working closely with Eastview's Board of Directors, the following are members of the Eastview development team.

Project Architect:	Gawron Turgeon Architects, Scarborough, ME
Construction Manager:	DEW Construction Corp, Williston, VT
Legal Counsel:	Sheehey Furlong & Behm, Burlington, VT Paul Frank & Collins, Burlington, VT
Development Consultants:	Atlantic Retirement Communities Inc., Newburyport, MA Robert Alberts, Middlebury, VT
Operations Consultant:	Third Age Inc., Exton, PA

III. PROJECT DESCRIPTION

A. Design Program and pricing

Thirty one-story cottages, offering private back yards and a variety of floor plans, will be offered.

# Units	Unit Type	Size	Entry Fee
2	2BR, 1 ½ BA, Screen Porch	1,160 SF	$269,500
8	2 BR, 2 BA, Screen Porch	1,270 SF	$299,500
8	2 BR, 2 BA, Sunroom	1,450 SF	$379,500
5	2 BR, 2 BA, Den, Sunroom	1,670 SF	$449,500
7	2 BR, 2 BA, Den, Sunroom Single family, 2 Car Garage	1,670 SF	$489,500

A variety of options, including second story studios, central air conditioning, gas fireplaces and flooring choices are available.

Thirty-two independent living apartments, most with sunrooms, will be offered. Common areas, which would be available to all apartment and cottage residents, will include:

Lobby/Reception	Library	Fitness Studio
Parlor	Outdoor Terrace	Wellness Office
Auditorium	Private Dining	Arts Studio
Dining Room	Café	Beauty Salon (Shared with Residential Care)

# Units	Unit Type	Size	Entry Fee
9	1 BR, 1 BA	750- 895 SF	$189,500 - $219,500
11	2 BR, 1 ½ BA	1,025 SF	$249,500
7	2 BR, 2 BA	1,215 SF	$304,500
5	2 BR, 2BA, Den	1,330 SF	$369,500

Nineteen residential care apartments, with the following common areas, will be offered.

Dining Room	Country Kitchen	Activities Room	Living Room
Outdoor Terrace	Exercise Room		

# Units	Unit Type	Size	Daily Rate
6	Efficiency	450 SF	$160
9	1 BR, 1 BA (some with sunroom)	575-600 SF	$175-$180
4	2 BR, 1 BA, sunroom	835 SF	$195

Eighteen special care studios, with the following common areas, will be offered.

Dining Area	Multi-Purpose Room	Enclosed Exterior Wandering Garden
Country Kitchen	Living Room	Covered porch

# Units	Unit Type	Size	Daily Rate
18	Studio	350 SF	$230

Site and design plans may be viewed at: www.eastviewatmiddlebury.com

B. Services and Health Care Program

The retirement community program will offer residents a comprehensive array of services tailored to their individual preferences and lifestyles. The program will feature basic services provided for a monthly fee, and individualized services available on an A-la-carte basis. Services will be provided by on-site staff and through service contracts with local providers.

The basic services provided to all community residents under a monthly fee include scheduled transportation, building repair and maintenance, landscaping and grounds maintenance, and snow and trash removal. Each residence will be furnished with an emergency response system which will be monitored 24-hours a day. Additionally, all residents may attend on-site health promotion and screening events provided periodically, and enjoy the cultural and recreational amenities sponsored by the retirement community.

Monthly fees for apartment residents include weekly housekeeping and a daily dining service. The dining service will offer flexible plans including formal evening dining, noontime café services and take out meals. Cottage residents and all resident's family and friends are welcome to join the community's dining programs.

Residents participating in the residential care program will have a wider variety of services provided under their monthly fee. In addition to the basic services provided to all residents, residential care participants will be offered 24-hour staff, three meals a day, laundry service, assistance with activities of daily living, medication assistance and activities programming. Residents in the special care program will be offered specially designed recreational, music therapy and other programming.

All residents will also have access to community based long-term care services on a fee for service basis. Home health services provided by Addison County Home Health and Hospice will be available to provide home health nursing, personal care assistance, physical, speech and occupational therapies and hospice care. Nursing home and rehabilitation services will be available through Helen Porter Nursing and Rehabilitation, located adjacent to the Eastview retirement community campus.

Operations planning for Eastview At Middlebury has been provided by Third Age Inc., a nationally recognized firm in the senior living industry. Start-up and on-going management services for Eastview will be provided by a qualified management firm.

IV. PROJECT FINANCING

Total project costs are estimated at $32.6M. Pre-construction financing of $2.3M is being provided by a local investor. These funds will not begin to be repaid until bank construction financing is repaid and 90% of independent living units have been sold. Sources of construction financing include $10M in tax-exempt bonds, $8M in short-term bank financing and $3.6M in resident construction deposits.

Following construction, cottage and apartment residents will make occupancy deposits on their homes and these deposits will repay $8M of the bank loans. Permanent financing of $10M would continue to be provided through tax-exempt bonds. Future residents of the retirement community cottages and apartments will provide a key source of project funds. Features of the resident financing method are:

- **Construction Deposit:** At the commencement of construction, future residents will make a non-refundable construction deposit equal to 25% of the entry fee. These deposits will be used prior to bank financing.

- **Occupancy Deposit:** At project opening, residents will make an additional deposit equal to the entry fee, less the construction deposit. Occupancy deposits will be used to repay the bank construction loans. Residents will pay monthly service fees, which will cover operating expenses such as taxes, maintenance, food service, and land lease payments.

Following the receipt of entry fees on all 62 cottages and apartments, a development surplus of approximately $845K is projected.

When cottage and apartment residents leave the retirement community, they will receive a 90% refund of the entry fee they paid, when their home is resold. Eastview will retain 10% of the entry fee, and any appreciation on the value of the cottage or apartment. As the retirement community matures, and more cottages and apartments are "turned over", these fees will represent a significant source of income for Eastview.

Residents of assisted living will lease their apartments on a rental basis. A one time non-refundable community fee of $1,500 will be collected prior to occupancy.

At stabilized occupancy, operating surpluses are projected at $400K annually, with a debt coverage ratio of 1.5.

Development and operating forecasts for the retirement community are contained on the following pages. Development forecasts were prepared by Atlantic Retirement Communities Inc. Operating forecasts were prepared by Third Age Inc.

EASTVIEW AT MIDDLEBURY
CASH FLOW DURING CONSTRUCTION AND IL FILL-UP
YEAR ONE

(August, 2010)

	Pre Construction	SEP (10)	OCT	NOV	DEC	JAN (11)	FEB	MAR	APR	MAY	JUN	TOTAL
SOURCES												
Pre-Const Loan	2,327,042	-	-	-	-	-	-	-	-	-	-	2,327,042
Cash Balance Forward	-	-	11,301,319	10,817,489	10,206,126	9,273,796	7,869,546	6,495,216	5,000,353	3,179,023	997,773	
Cottage Deposits	-	2,048,375		100,467				100,467				2,249,309
Apartment Deposits	-	1,088,624				70,080				70,080		1,228,784
Total # Deposits	-	Thirty seven	Thirty seven	Thirty eight	Thirty eight	Thirty nine	Thirty nine	Forty	Forty	Forty one	Forty one	
Bond Proceeds	-	10,000,000	-	-	-	-	-	-	-	-		10,000,000
Construction Loan	-	-	-	-	-	-	-	-	-	-	1,352,557	1,352,557
TOTAL SOURCES	2,327,042	13,136,999	11,301,319	10,917,956	10,206,126	9,343,876	7,869,546	6,595,683	5,000,353	3,249,103	2,350,330	17,157,692
USES												
Construction	51,382	217,500	435,000	652,500	870,000	1,305,000	1,305,000	1,522,500	1,740,000	2,175,000	2,175,000	12,448,882
Owner Const Contigency	-	-	-	10,500	14,000	21,000	21,000	24,500	28,000	28,000	35,000	182,000
A&E Fees	590,877	295,000	20,955	20,955	20,955	20,955	20,955	20,955	20,955	20,955	20,955	1,074,472
Development Consultant	260,000	210,000	11,875	11,875	11,875	111,875	11,875	11,875	11,875	11,875	11,875	676,875
Project Management	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Civil Engineering	275,000	-	-	-	-	-	-	-	-	-	-	275,000
Legal	290,000	15,000	-	-	-	-	-	-	-	-	-	305,000
Appraisal	30,000	-	-	-	-	-	-	-	-	-	-	30,000
Insurance/Taxes	4,639	-	-	-	-	-	-	-	-	-	-	4,639
Accounting	14,551	-	-	-	-	-	-	-	5,000	-	-	19,551
Furnishings/Interiors	10,593	-	-	-	-	-	-	-	-	-	-	10,593
Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	525,000	10,000	8,000	8,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	603,500
Management Consultant	65,000	-	-	-	-	-	-	-	-	-	-	65,000
Fees & Permits	160,000	107,186	-	-	-	-	-	-	-	-	-	267,186
Capitalized Interest Fund		599,994										599,994
Bank Interest												
Financing Fees - Bond	-	363,000	-	-		-	-	-	-	-	-	363,000
Financing Fees - Bank	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Land Lease	-		-	-	-	-	-	-	-	-	-	-
Start-up	-	-	-	-	-	-	-	-	-	-	12,000	12,000
Other/contingency	50,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	110,000
TOTAL USES	2,327,042	1,835,680	483,830	711,830	932,330	1,474,330	1,374,330	1,595,330	1,821,330	2,251,330	2,350,330	17,157,692
Cash Balance Forward		11,301,319	10,817,489	10,206,126	9,273,796	7,869,546	6,495,216	5,000,353	3,179,023	997,773	-	
CUMULATIVE USES	2,327,042	4,162,722	4,646,552	5,358,382	6,290,712	7,765,042	9,139,372	10,734,702	12,556,032	14,807,362	17,157,692	17,157,692
Construction Loan Balance											1,352,557	
Cash Balance		11,301,319	10,817,489	10,206,126	9,273,796	7,869,546	6,495,216	5,000,353	3,179,023	997,773		

EASTVIEW AT MIDDLEBURY
CASH FLOW DURING CONSTRUCTION AND IL FILL-UP
YEAR TWO

Through	JUN (11)	JUL	AUG	SEP	OCT	NOV	DEC OCCUPANCY	JAN (12)	FEB	TOTAL
SOURCES										
Pre-Const Loan	2,327,042	-	-	-		-	-	-	-	2,327,042
Cash Balance Forward		-	-	-	-	-	-	128,934	326,966	
Cottage Deposits	2,249,309	100,467	-	-	2,048,375	2,048,375	3,354,454	-	413,926	10,214,906
Apartment Deposits	1,228,784	-	-	70,080	-	-	4,186,281	288,729	-	5,773,874
Garage/Options Deposits	-	-	-	-	-	-	290,000	-	-	290,000
Total # Deposits	Forty one	Forty Two	Forty Two	Forty three	Forty three	Forty four	Forty five	Forty six	Forty seven	
Bond Proceeds	10,000,000	-	-	-	-	-	-	-	-	10,000,000
Construction Loan	1,352,557	1,870,280	2,295,930	2,477,895	-	-	-	-	-	7,996,662
TOTAL SOURCES	17,157,692	1,970,747	2,295,930	2,547,975	2,048,375	2,048,375	7,830,735	417,663	740,892	36,602,484
USES										
Construction	12,448,882	1,740,000	2,175,000	2,410,000	1,740,000	1,087,500	200,000	-	-	21,750,000
Owner Const Contingency	182,000	28,000	35,000	42,000	28,000	17,500	17,500	-	-	350,000
A&E Fees	1,074,472	20,955	20,955	20,955	20,955	20,955	20,995	-	-	1,200,242
Development Consultant	676,875	11,875	11,875	11,875	11,875	11,875	11,875	11,875	11,875	771,875
Project Management	30,000	3,000	3,000	3,000	3,000	3,000	-	-	-	45,000
Civil Engineering	275,000	-	-	-	-	-	-	-	-	275,000
Legal	305,000	-	-	-	-	5,000	-	-	-	310,000
Appraisal	30,000	-	-	-	-	-	-	-	-	30,000
Insurance/Taxes	4,639	-	-	-	-	65,000	-	-	-	69,639
Accounting	19,551	-	-	-	-	5,000	-	-	-	24,551
Furnishings/Interiors	10,593	125,000	-	-	-	179,407	-	-	-	315,000
Marketing	603,500	8,000	8,000	8,000	8,000	8,000	-	-	-	643,500
Management Consultant	65,000	-	-	-	-	-	-	-	-	65,000
Fees & Permits	267,186	-	-	-	-	-	-	-	-	267,186
Capitalized Interest Fund	599,994	-	-	-	-	-	-	-	-	599,994
Bank Interest	-	5,917	14,100	24,145	34,985	34,360	31,966	-	-	145,473
Financing Fees - Bonds	363,000	-	-	-	-	-	-	-	-	363,000
Financing Fees - Banks	80,000	-	-	-	-	-	-	-	-	80,000
Land Lease	-	-	-	-	-	-	-	-	-	-
Start-up	12,000	23,000	23,000	23,000	53,600	53,600	-	-	-	188,200
Other/contingency	110,000	5,000	5,000	5,000	5,000	10,000	-	-	-	140,000
Cash Operating Losses	-	-	-	-	-	-	112,941	78,822	82,609	274,372
Pre-Const Loan		-	-	-	-	-	-	-	-	-
TOTAL USES	17,157,692	1,970,747	2,295,930	2,547,975	1,905,415	1,501,197	395,277	90,697	94,484	27,959,414
Construction Loan Reduction	-	-	-	-	142,960	547,178	7,306,524	-	-	7,996,662
CUMULATIVE USES	17,157,692	19,128,439	21,424,369	23,972,344	25,877,759	27,378,956	35,080,758	35,171,455	35,265,939	35,956,076
Construction Loan Balance	1,352,557	3,222,837	5,518,767	7,996,662	7,853,702	7,306,524	-	-		
Cash Balance							128,934	326,966	646,408	

EASTVIEW AT MIDDLEBURY
CASH FLOW DURING CONSTRUCTION AND IL FILL-UP
YEAR THREE

	Through FEB (12)	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
SOURCES												
Pre-Const Loan	2,327,042	-	-	-	-	-	-	-	-	-	-	**2,327,042**
Cash Balance Forward		646,408	793,551	942,579	818,276	1,121,658	1,019,824	1,013,275	934,466	1,105,935	555,560	
Cottage Deposits	10,214,906	413,926	-	-	413,926		-		413,926		-	**11,456,684**
Apartment Deposits	5,773,874	-	288,729	-	-	-	288,729	-	-	-	288,729	**6,640,061**
Garage/options Deposits	290,000	-	-	-	-	-	-	-	-	-	-	**290,000**
Total # Deposits	**Forty seven**	**Forty eight**	**Forty nine**	**Forty nine**	**Fifty**	**Fifty**	**Fifty One**	**Fifty one**	**Fifty two**	**Fifty two**	**Fifty three**	
Bond Proceeds	10,000,000	-	-	-	-	-	-	-	-	-	-	**10,000,000**
Construction Loan	7,996,662	-	-	-	-	-	-	-	-	-	-	**7,996,662**
Efficiency Vermont	-	80,000	-	-	-	-	-	-	-	-	-	**80,000**
TOTAL SOURCES	**36,602,484**	**1,140,334**	**1,082,280**	**942,579**	**1,232,202**	**1,121,658**	**1,308,553**	**1,013,275**	**1,348,392**	**1,105,935**	**844,289**	**38,790,449**
USES												
Construction	21,801,382	-	-	-	-	-	200,000	-	-	-	-	**22,001,382**
Owner Const Contingency	350,000	-	-	-	-	-	-	-	-	-	-	**350,000**
A&E Fees	1,200,242	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	**1,450,242**
Development Consultant	771,875	11,875	11,875	11,875	11,875	11,875	11,875	11,875	-	-	-	**855,000**
Project Management	45,000	-	-	-	-	-	-		175,000	-	-	**220,000**
Civil Engineering	275,000	-	-	-	-	-	-	-	-	-	-	**275,000**
Legal	310,000	-	-	-	-	-	-	-	-	-	-	**310,000**
Appraisal	30,000	-	-	-	-	-	-	-	-	-	-	**30,000**
Insurance/Taxes	69,639	-	-	-	-	-	-	-	-	-	-	**69,639**
Accounting	24,551	-	-	-	-	-	-	-	-	-	-	**24,551**
Furnishings/Interiors	315,000	-	-	-	-	-	-	-	-	-	-	**315,000**
Marketing	643,500	-	-	-	-	-	-	-	-	-	-	**643,500**
Management Consultant	65,000	-	-	-	-	-	-	-	-	-	-	**65,000**
Fees & Permits	267,186	-	-	-	-	-	-	-	-	-	-	**267,186**
Capitalized Interest Fund	599,994											**599,994**
Bank Interest	145,473	-	-	-	-	-	-	-	-	-	-	**145,473**
Financing Fees - Bonds	363,000	-	-	-	-	-		-	-	-	-	**363,000**
Financing Fees - Banks	80,000											**80,000**
Land Lease	-	200,000	-	-	-	-	-	-	-	-	-	**200,000**
Start-up	188,200	-	-	-	-	-	-	-	-	-	-	**188,200**
Principal Pmts Perm Debt	-	8,421	8,474	8,526	8,580	8,633	8,687	8,742	8,796	8,851	8,907	**86,617**
Cash Operating Losses	274,372	101,487	94,352	78,902	65,089	56,326	49,716	33,192	33,661	16,524	19,446	**823,067**
Other/contingency	140,000	-	-	-	-	-	-	-	-	-	-	**140,000**
Pre-Const Loan	-	-		-		-	-	-	-	500,000	-	**500,000**
	-											**-**
TOTAL USES	**27,959,414**	**346,783**	**139,701**	**124,303**	**110,544**	**101,834**	**295,278**	**78,809**	**242,457**	**550,375**	**53,353**	**30,002,851**
	-											**-**
Construction Loan Reduction	**7,996,662**	-	-	-	-	-	-	-				**7,996,662**
	-											**-**
CUMULATIVE USES	**35,956,076**	**28,306,197**	**28,445,898**	**28,570,201**	**28,680,745**	**28,782,579**	**29,077,857**	**29,156,666**	**29,399,123**	**29,949,498**	**30,002,851**	
Cash Balance	**646,408**	**793,551**	**942,579**	**818,276**	**1,121,658**	**1,019,824**	**1,013,275**	**934,466**	**1,105,935**	**555,560**	**790,936**	

EASTVIEW AT MIDDLEBURY
CASH FLOW DURING CONSTRUCTION AND IL FILL-UP
YEAR FOUR

	Through DEC (12)	JAN (13)	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	
SOURCES												
Pre-Const Loan	2,327,042	-	-	-	-	-	-	-	-	-	-	2,327,042
Cash Balance Forward	-	790,936	751,047	923,261	903,355	1,170,782	1,161,594	1,441,077	731,773	1,011,140	1,001,720	
Cottage Deposits	11,456,684		413,926	-			-	-			-	11,870,610
Apartment Deposits	6,640,061				288,729		288,729		288,729		288,729	7,794,977
Garage/options Deposits	290,000	-	-	-	-	-	-	-	-	-	-	290,000
Total # Deposits	-	Fifty three	Fifty four	Fifty four	Fifty five	Fifty five	Fifty six	Fifty six	Fifty seven	Fifty seven	Fifty eight	-
Bond Proceeds	10,000,000	-	-	-	-	-	-	-	-	-	-	10,000,000
Construction Loan	7,996,662	-	-	-	-	-	-	-	-	-	-	7,996,662
Efficiency Vermont	80,000		-	-	-	-	-	-	-	-	-	80,000
TOTAL SOURCES	38,790,449	790,936	1,164,973	923,261	1,192,084	1,170,782	1,450,323	1,441,077	1,020,502	1,011,140	1,290,449	40,359,291
USES												
Construction	22,001,382	-	200,000	-	-	-	-	-	-	-	-	22,201,382
Owner Const Contingency	350,000	-	-	-	-	-	-	-	-	-	-	350,000
A&E Fees	1,450,242	25,000	25,000			-	-	-	-	-	-	1,500,242
Development Consultant	855,000	-	-	-	-	-	-	200,000	-	-	-	1,055,000
Project Management	220,000	-	-	-	-	-	-		-	-	-	220,000
Civil Engineering	275,000	-	-	-	-	-	-		-	-	-	275,000
Legal	310,000	-	-	-	-	-	-	-	-	-	-	310,000
Appraisal	30,000	-	-	-	-	-	-	-	-	-	-	30,000
Insurance/Taxes	69,639	-	-	-	-	-	-	-	-	-	-	69,639
Accounting	24,551	-	-	-	-	-	-	-	-	-	-	24,551
Furnishings/Interiors	315,000	-	-	-	-	-	-	-	-	-	-	315,000
Marketing	643,500	-	-	-	-	-	-	-	-	-	-	643,500
Management Consultant	65,000	-	-	-	-	-	-	-	-	-	-	65,000
Fees & Permits	267,186	-	-	-	-	-	-	-	-	-	-	267,186
Capitalized Interest Fund	599,994	-	-	-	-	-	-	-	-	-	-	599,994
Bank Interest	145,473	-	-	-	-	-		-	-	-	-	145,473
Financing Fees-Bonds	363,000	-	-	-	-	-		-	-	-	-	363,000
Financing Fees-Banks	80,000	-	-	-	-	-	-	-	-	-	-	80,000
Land Lease	200,000	-	-	-	-	-	-	-	-	-	-	200,000
Start-up	188,200	-	-	-	-	-	-	-	-	-	-	188,200
Principal Pmts Perm Debt	86,617	8,962	9,018	9,075	9,131	9,188	9,246	9,304	9,362	9,420	9,479	178,802
Cash Operating Losses	823,067	5,927	7,694	10,831	12,171	-	-	-	-	-	-	859,690
Other/contingency	140,000	-	-	-	-	-	-	-	-	-	-	140,000
Pre-Const Loan	500,000	-		-		-	-	500,000	-	-	-	1,000,000
	-											
TOTAL USES	30,002,851	39,889	241,712	19,906	21,302	9,188	9,246	709,304	9,362	9,420	9,479	31,081,659
	-											-
Construction Loan Reduction	7,996,662	-	-	-	-	-	-	-				7,996,662
	-											
												39,078,321
Cash balance	790,936	751,047	923,261	903,355	1,170,782	1,161,594	1,441,077	731,773	1,011,140	1,001,720	1,280,970	

EASTVIEW AT MIDDLEBURY
CASH FLOW DURING CONSTRUCTION AND IL FILL-UP
YEAR FIVE

	Through OCT (13)	NOV	DEC	JAN (14)	FEB	MAR	APR	MAY	
SOURCES									
Pre-Con Loan	2,327,042	-	-	-	-	-	-	-	**2,327,042**
Cash balance Forward	-	1,280,970	1,560,161	1,550,563	1,134,634	1,124,916	1,403,866	1,394,026	
Cottage Deposits	11,870,610		-	-			-	-	**11,870,610**
Apartment Deposits	7,794,977	288,729	-	288,729	-	288,729		288,729	**8,949,893**
Garage Deposits	290,000	-	-	-	-	-	-	-	**290,000**
Total # Deposits	Fifty eight	**Fifty nine**	**Fifty nine**	**Sixty**	**Sixty**	**Sixty one**	**Sixty one**	**Sixty two**	
Bond Proceeds	10,000,000								**10,000,000**
Construction Loan	7,996,662	-	-	-	-	-	-	-	**7,996,662**
Efficiency Vermont	80,000		-	-	-	-	-	-	**80,000**
	-								
TOTAL SOURCES	40,359,291	**1,569,699**	**1,560,161**	**1,839,292**	**1,134,634**	**1,413,645**	**1,403,866**	**1,682,755**	**41,514,207**
USES									
Construction	22,201,382	-	-	-	-	-	-	-	**22,201,382**
Owner Const Contingency	350,000	-	-	-	-	-	-	-	**350,000**
A&E Fees	1,500,242	-	-	-	-	-	-	-	**1,500,242**
Development Consultant	1,055,000	-	-	195,000	-	-	-	-	**1,250,000**
Project Management	220,000	-	-	-	-	-	-		**220,000**
Civil Engineering	275,000	-	-	-	-	-	-	-	**275,000**
Legal	310,000	-	-	-	-	-	-	-	**310,000**
Appraisal	30,000	-	-	-	-	-	-	-	**30,000**
Insurance/Taxes	69,639	-	-	-	-	-	-	-	**69,639**
Accounting	24,551	-	-	-	-	-	-	-	**24,551**
Furnishings/Interiors	315,000	-	-	-	-	-	-	-	**315,000**
Marketing	643,500	-	-	-	-	-	-	-	**643,500**
Management Consultant	65,000	-	-	-	-	-	-	-	**65,000**
Fees & Permits	267,186	-	-	-	-	-	-	-	**267,186**
Capitalized Interest Fund	599,994	-	-	-	-	-	-	-	**599,994**
Bank Interest	145,473								**145,473**
Financing Fees - Bonds	363,000	-	-	-	-	-		-	**363,000**
Financing Fees - Banks	80,000								**80,000**
Land Lease	200,000	-	-	-	-	-	-	-	**200,000**
Start-up	188,200	-	-	-	-	-	-	-	**188,200**
Principal Pmts Perm Debt	178,802	9,538	9,598	9,658	9,718	9,779	9,840	9,902	**246,835**
Cash Operating Losses	859,690	-	-	-					**859,690**
Other/contingency	140,000	-	-	-	-	-	-	-	**140,000**
Pre-Const Loan	1,000,000	-		500,000		-	-	827,042	**2,327,042**
	-								
TOTAL USES	**31,081,659**	**9,538**	**9,598**	**704,658**	**9,718**	**9,779**	**9,840**	**836,944**	**32,671,734**
	-								-
Construction Loan Reduction	**7,996,662**	-	-	-	-	-	-	-	**7,996,662**
	-								
Cash Balance	**1,280,970**	**1,560,161**	**1,550,563**	**1,134,634**	**1,124,916**	**1,403,866**	**1,394,026**	**845,811**	

EASTVIEW AT MIDDLEBURY
DEVELOPMENT PRO FORMA

SOURCES OF FUNDS

Pre-Const Loan	2,327,042
Cottage Deposits	11,870,610
Apartment Deposits	8,949,893
Garage/Options Deposits	290,000
Bond Proceeds	10,000,000
Construction Loan	7,996,662
Efficiency Vermont	80,000
TOTAL SOURCES OF FUNDS	41,514,207

USES OF FUNDS

Construction	22,201,382
Owner's Const Contingency	350,000
A&E Fees	1,500,242
Development Consultant	1,250,000
Project Management	220,000
Civil Engineering	275,000
Legal	310,000
Appraisal	30,000
Insurance/taxes	69,639
Accounting	24,551
Furnishings	315,000
Marketing	643,500
Management Consultant	65,000
Fees & Permits	267,186
Bond Interest	599,994
Bank Interest	145,473
Financing Fees -Bonds	363,000
Financing Fees- Banks	80,000
Land Lease	200,000
Principal Payments Perm Debt	246,835
Start-up	188,200
Cash Operating Losses	859,690
Other/contingency	140,000
Pre-Construction Loan	2,327,042
Construction Loan Payoff	7,996,662
TOTAL USES OF FUNDS	40,668,396
SURPLUS	845,811

NOTES TO DEVELOPMENT PRO FORMA

- All values are in 2010 dollars.

- Assume investor provides $2.3M in pre-construction financing. Assume 25% interest rate on funds through February, 2008 and 12% rate through December 2009. Interest capped at $800,000.

- Assume $10M in tax-exempt construction/permanent bonds issued by Vermont Housing Financing Agency and purchased by Greenwich Investment Management. Assume 4% interest only payments for first 18 months and 7.5% interest rate thereafter for 28 ½ year term.

- Assume GIM bond associated costs of $232, 500 (underwriter's discount @ 1.25 point, $60K other fees and $50K legal) and VHFA associated costs of $131,250 (issuance costs @ .625 point, bond counsel @ $60K and other @ $10K) for a total of $363,750.

- Assume $8M in short-term bank construction financing @ 5.25% and 1 point.

- Assume future cottage and independent living apartment residents provide financing of 25% of entry fee at/during construction and 75% balance at construction completion. Pricing schedule is attached. Entry fees will increase 3% at start of construction and 3% at project opening.

- 70% of cottages and 50% of independent living apartments will be reserved by 25% entry fees at time of construction start. Assume 83% of cottages and 63% of apartments reserved by end of construction. Assume stabilized occupancy of entire community requires 20 months following occupancy. Absorption schedule, based on Concord Realty Advisors May 2010 appraisal, is attached.

- DEW Construction Corp. will provide construction management services under a GMP contract of $22.15M.

- A&E fees include site planning, landscape, architectural and interior design, and structural, mechanical and electrical engineering under a fixed fee contract with Gawron Turgeon Architects.

- Development consultant includes market and financial feasibility studies, business planning, marketing management, design review and programming, residency document review, and project financing under a fixed fee contract with Atlantic Retirement Communities Inc.

- Project management includes clerk of the works during construction.

- Legal includes fees for Act 250 permitting/appeals, 501c (3) incorporation, contract review for project consultants, residency documents, land lease development and financing document review.

- Taxes during construction estimated by Middlebury tax assessor.

- Furnishings and interiors costs developed by GTA.

- Equipment costs developed by Third Age, Inc.

- Marketing started in 2005 and includes staff, office expenses, collateral materials, web site development/maintenance, advertising, direct mail, and promotional events.

- Management consulting includes pre-construction operations planning.

- Fees & permits include: water, wastewater, storm water discharge, wetlands, Act 250, Labor and Industry, prime agricultural soils mitigation and town construction and connection fees.

- Start-up covers third party management fees and Eastview staff and other expense prior to opening.

- Assume project team members defer the following fees according to the following benchmarks.

Rob Alberts – Provides $2.3M in pre-construction loan. Repayment deferred until construction financing repaid and 90% of apartments/cottages sold.

Gawron Turgeon Architects - $300,000 in fees deferred until construction financing repaid and 90% of cottages/apartments sold.

Atlantic Retirement Communities - $200,000 in fees deferred until construction financing repaid and 90% of cottages/apartments sold. $195,000 in fees deferred until 70% of assisted living occupied.

DEW Corp. - $400K in fees deferred until 1-2 years following construction completion.

Eastview Cottage and Apartment Pricing (May 2010)

Cottages		**Apartments**		
G 2	269,500	**A' 109**	219,500	
L 3	309,500	**A' 110**	219,500	
L 28	309,500	**A 209**	239,500	
G 29	279,500	**A 214**	199,500	
		A 215	199,500	
H 1	299,500	**A 216**	194,500	
L 4	299,500	**A 218**	199,500	
L 5	299,500	**A 223**	189,500	
H 23	309,500	**A 230**	239,500	
H 30	299,500			
H 26	309,500	**B 108**	249,500	
		B 106	249,500	
I 6	379,500	**B 212**	249,500	
I 7	379,500	**B 213**	249,500	
I 16	389,500	**B 219**	249,500	
I 19	389,500	**B 221**	239,500	
I 21	379,500	**B 228**	249,500	
I 22	379,500	**B 226**	249,500	
I 24	379,500	**B 208**	249,500	
I 25	379,500	**B 206**	249,500	
I 27	389,500			
		C 107	304,500	
J 8	449,500	**C 207**	304,500	
J 9	449,500	**C 210**	304,500	
J15	459,500	**C 220**	304,500	
J 20	449,500	**C 222**	304,500	
		C 227	304,500	
K 10	489,500	**C 211**	294,500	
K 11	489,500			
K12	489,500	**D 105**	369,500	
K13	509,500	**D 205**	369,500	
K14	489,500	**D 217**	369,500	
K 17	489,500	**D 224**	369,500	
K18	489,500	**D 225**	369,500	
		D 229	369,500	
TOTAL	**$11,685,000**		**$8,724,000**	**$20,409,000**

Note: Prices increase 3% at construction start; $3K at opening

EASTVIEW AT MIDDLEBURY ABSORPTION PROJECTIONS
Based on Concord Realty Apprasial (5/10)

	Total Units	MO 1	MO 2	MO 3	MO 4	MO 5	MO 6	MO 7	MO 8	MO 9	MO 10	MO 11	MO 12	MO 13	MO 14	MO 15	MO 16	MO 17	MO 18	MO 19	MO 20	MO 21
Cottages	**30**	25	25	26	26	27	27	28	28	29	29	30	30	30	30	30	30	30	30	30	30	30
IL Apartments	**32**	20	21	21	22	22	23	23	24	24	25	25	26	26	27	27	28	28	29	29	30	30
Residential Care	**19**	4	6	7	8	9	10	11	12	12	13	13	14	14	15	15	16	16	17	17	18	18
Sanctuary	**18**	0*	4	6	8	9	10	11	11	12	13	13	14	14	15	15	16	16	17	17	17	17

	Total Units	MO 1	MO 2	MO 3	MO 4	MO 5	MO 6	MO 7	MO 8	MO 9	MO 10	MO 11	MO 12	MO 13	MO 14	MO 15	MO 16	MO 17	MO 18	MO 19	MO 20	MO 21
Cottages	**30**	83%	83%	87%	87%	90%	90%	93%	93%	97%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IL Apartments	**32**	63%	66%	66%	69%	69%	72%	72%	75%	75%	78%	78%	81%	81%	84%	84%	88%	88%	90%	90%	94%	94%
Residential Care	**19**	21%	32%	37%	42%	47%	53%	58%	63%	63%	68%	68%	74%	74%	79%	79%	84%	84%	89%	89%	94%	94%
Sanctuary (Special Care)	**18**	0%	22%	33%	44%	50%	56%	61%	67%	67%	72%	72%	78%	78%	83%	83%	89%	89%	89%	89%	94%	94%

*NOTES: For effective operations the Sanctuary Program should not open until occupied by at least 4 residents.

For comparitive purposes the following is the absorption history for The Lodge At Otter Creek Residential care.

	Total Units	Fill Time	Absorption Rate
Residential Care	**25**	**12 MO**	**2 MO**
Special Care	**16**	**10 MO**	**1.6 MO**

Otter Creek maintains stabilized occupancy above 95%
Otter Creek is the only apartment style residential care program in Addison County

Projected Statement of Operations
Eastview at Middlebury
For Discussion Only

Revenue:	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Monthly Fee Revenue - Sanctuary	0	30,575	45,862	61,149	68,793	76,436	84,080
Monthly Fee Revenue - Resident Care	24,542	37,917	44,237	50,557	56,876	63,196	69,515
Monthly Fee Revenue - Apartments	49,031	53,027	53,027	55,552	55,552	58,077	58,077
Monthly Fee Revenue - Cottages	39,625	40,814	42,446	42,446	44,079	44,079	45,711
Earned Entrance Fee Revenue -	31,979	23,057	23,855	24,394	25,190	27,162	27,951
Investment Income	3,000	322	817	1,616	1,984	2,356	2,045
Other Revenue	13,812	11,136	8,813	9,591	9,332	9,591	9,332
Total Revenue	161,990	196,848	219,057	245,306	261,805	280,898	296,713
Expenses:							
Administrative Expenses	118,726	121,288	121,288	150,454	150,402	150,349	150,296
Healthcare Expenses	41,697	43,378	67,185	67,995	75,424	75,723	75,826
Dietary Services	44,522	48,683	50,131	62,232	63,391	64,706	65,839
Facilities	26,324	27,321	27,344	29,773	29,807	29,917	29,946
Marketing	8,683	8,943	8,943	8,943	8,943	8,943	8,943
Depreciation	66,470	66,810	66,810	66,810	66,810	66,810	66,810
Other expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Expenses	309,422	319,424	344,702	389,208	397,777	399,448	400,660
Increase/Decrease in Net Assets	(147,432)	(122,576)	(125,645)	(143,903)	(135,973)	(118,551)	(103,948)
Cash losses per month	(112,941)	(78,822)	(82,690)	(101,487)	(94,352)	(78,902)	(65,089)

Statement of Cash Flows

	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Cash flows from operating activities:							
Increase (decrease) in net assets	(147,432)	(122,576)	(125,645)	(143,903)	(135,973)	(118,551)	(103,948)
Depreciation and amortization	66,470	66,810	66,810	66,810	66,810	66,810	66,810
Earned entrance fee revenue	(31,979)	(23,057)	(23,855)	(24,394)	(25,190)	(27,162)	(27,951)
Entrance fee proceeds, net of refunds	7,830,735	288,729	413,926	413,926	288,729	0	413,926
Net cash used in operating activities	7,717,794	209,907	331,236	312,439	194,377	(78,902)	348,837
Cash flows from investing activities:							
Purchases of property, plant and equipment	(282,336)	(11,875)	(11,875)	(236,875)	(36,875)	(36,875)	(36,875)
Net cash used in investing activities	(282,336)	(11,875)	(11,875)	(236,875)	(36,875)	(36,875)	(36,875)
Cash flows from financing activities:							
Repayment of construction loan	(7,306,524)	0	0	0	0	0	0
Repayment of pre-construction loan	0	0	0	0	0	0	0
Efficiency Vermont	0	0	0	80,000	0	0	0
Repayment of permanent debt principal	0	0	0	(8,421)	(8,474)	(8,526)	(8,580)
Net cash provided by financing activities	(7,306,524)	0	0	71,579	(8,474)	(8,526)	(8,580)
Net increase (decrease) in cash and cash equivalents	128,934	198,032	319,361	147,144	149,029	(124,304)	303,382
Cash and cash equivalents, beginning of year	0	128,934	326,965	646,326	793,470	942,498	818,194
Cash and cash equivalents, end of year	**128,934**	**326,965**	**646,326**	**793,470**	**942,498**	**818,194**	**1,121,577**

Projected Statement of Operations
Eastview at Middlebury
For Discussion Only

Revenue:	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
Monthly Fee Revenue - Sanctuary	84,080	91,724	99,367	99,367	107,011	107,011	118,094
Monthly Fee Revenue - Resident Care	75,835	75,835	82,154	82,154	88,474	88,474	97,637
Monthly Fee Revenue - Apartments	60,602	60,602	63,128	63,128	65,653	65,653	70,223
Monthly Fee Revenue - Cottages	45,711	47,344	47,344	48,977	48,977	48,977	50,446
Earned Entrance Fee Revenue -	28,482	29,269	29,797	30,581	32,542	31,257	31,799
Investment Income	2,804	2,549	2,533	2,336	2,765	1,389	1,977
Other Revenue	9,591	8,046	9,332	8,046	9,332	8,046	9,879
Total Revenue	307,106	315,370	333,655	334,589	354,753	350,806	380,055
Expenses:							
Administrative Expenses	150,242	150,188	150,134	150,079	150,024	149,969	152,552
Healthcare Expenses	75,962	75,980	76,202	76,202	76,289	76,361	77,889
Dietary Services	66,774	67,644	68,671	69,304	70,318	70,502	73,850
Facilities	30,029	30,061	30,101	30,140	30,178	30,220	31,209
Marketing	8,943	8,943	8,943	8,943	8,943	8,943	15,683
Depreciation	66,810	66,810	66,810	66,810	66,810	67,150	67,150
Other expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Expenses	401,760	402,626	403,860	404,479	405,563	406,146	421,333
Increase/Decrease in Net Assets	(94,654)	(87,257)	(70,205)	(69,890)	(50,810)	(55,340)	(41,278)
Cash losses per month	(56,326)	(49,716)	(33,192)	(33,661)	(16,542)	(19,446)	(5,927)

Statement of Cash Flows

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
Cash flows from operating activities:							
Increase (decrease) in net assets	(94,654)	(87,257)	(70,205)	(69,890)	(50,810)	(55,340)	(41,278)
Depreciation and amortization	66,810	66,810	66,810	66,810	66,810	67,150	67,150
Earned entrance fee revenue	(28,482)	(29,269)	(29,797)	(30,581)	(32,542)	(31,257)	(31,799)
Entrance fee proceeds, net of refunds	0	288,729	0	413,926	0	288,729	0
Net cash used in operating activities	(56,326)	239,013	(33,192)	380,265	(16,542)	269,283	(5,927)
Cash flows from investing activities:							
Purchases of property, plant and equipment	(36,875)	(236,875)	(36,875)	(200,000)	(25,000)	(25,000)	(25,000)
Net cash used in investing activities	(36,875)	(236,875)	(36,875)	(200,000)	(25,000)	(25,000)	(25,000)
Cash flows from financing activities:							
Repayment of construction loan	0	0	0	0	0	0	0
Repayment of pre-construction loan	0	0	0	0	(500,000)	0	0
Efficiency Vermont	0	0	0	0	0	0	0
Repayment of permanent debt principal	(8,633)	(8,687)	(8,742)	(8,796)	(8,851)	(8,907)	(8,962)
Net cash provided by financing activities	(8,633)	(8,687)	(8,742)	(8,796)	(508,851)	(8,907)	(8,962)
Net increase (decrease) in cash and cash equivalents	(101,835)	(6,549)	(78,809)	171,469	(550,393)	235,376	(39,889)
Cash and cash equivalents, beginning of year	1,121,577	1,019,742	1,013,193	934,384	1,105,853	555,460	790,836
Cash and cash equivalents, end of year	**1,019,742**	**1,013,193**	**934,384**	**1,105,853**	**555,460**	**790,836**	**750,947**

Projected Statement of Operations
Eastview at Middlebury
For Discussion Only

Revenue:	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Monthly Fee Revenue - Sanctuary	118,094	125,967	125,967	133,840	133,840	133,840	133,840
Monthly Fee Revenue - Resident Care	97,637	104,147	104,147	110,656	110,656	117,165	117,165
Monthly Fee Revenue - Apartments	70,223	72,824	72,824	75,425	75,425	78,026	78,026
Monthly Fee Revenue - Cottages	50,446	50,446	50,446	50,446	50,446	50,446	50,446
Earned Entrance Fee Revenue -	31,732	32,273	32,206	34,224	32,935	33,474	33,404
Investment Income	1,877	2,308	2,258	2,927	2,917	3,626	1,889
Other Revenue	7,486	9,879	8,020	9,879	8,020	9,879	8,288
Total Revenue	377,496	397,844	395,868	417,396	414,239	426,455	423,057
Expenses:							
Administrative Expenses	152,496	172,439	172,383	172,326	172,268	172,210	172,152
Healthcare Expenses	77,966	78,905	78,657	79,064	78,977	79,144	79,054
Dietary Services	73,241	75,083	74,867	76,317	76,087	77,131	77,131
Facilities	31,071	31,291	31,242	31,373	31,322	31,423	31,423
Marketing	15,683	15,683	15,683	15,683	15,683	15,683	15,683
Depreciation	67,150	67,150	67,150	67,150	67,150	67,150	67,150
Other expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Expenses	420,607	443,552	442,983	444,913	444,487	445,741	445,593
Increase/Decrease in Net Assets	(43,111)	(45,708)	(47,115)	(27,517)	(30,247)	(19,286)	(22,536)
Cash losses per month	(7,694)	(10,831)	(12,171)	5,409	3,967	14,390	11,210

Statement of Cash Flows

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Cash flows from operating activities:							
Increase (decrease) in net assets	(43,111)	(45,708)	(47,115)	(27,517)	(30,247)	(19,286)	(22,536)
Depreciation and amortization	67,150	67,150	67,150	67,150	67,150	67,150	67,150
Earned entrance fee revenue	(31,732)	(32,273)	(32,206)	(34,224)	(32,935)	(33,474)	(33,404)
Entrance fee proceeds, net of refunds	413,926	0	288,729	0	288,729	0	288,729
Net cash used in operating activities	406,232	(10,831)	276,558	5,409	292,696	14,390	299,939
Cash flows from investing activities:							
Purchases of property, plant and equipment	(225,000)	0	0	0	0	(200,000)	0
Net cash used in investing activities	(225,000)	0	0	0	0	(200,000)	0
Cash flows from financing activities:							
Repayment of construction loan	0	0	0	0	0	0	0
Repayment of pre-construction loan	0	0	0	0	0	(500,000)	0
Efficiency Vermont	0	0	0	0	0	0	0
Repayment of permanent debt principal	(9,018)	(9,075)	(9,131)	(9,188)	(9,246)	(9,304)	(9,362)
Net cash provided by financing activities	(9,018)	(9,075)	(9,131)	(9,188)	(9,246)	(509,304)	(9,362)
Net increase (decrease) in cash and cash equivalents	172,214	(19,906)	267,427	(3,779)	283,451	(694,913)	290,577
Cash and cash equivalents, beginning of year	750,947	923,161	903,255	1,170,682	1,166,903	1,450,353	755,440
Cash and cash equivalents, end of year	**923,161**	**903,255**	**1,170,682**	**1,166,903**	**1,450,353**	**755,440**	**1,046,017**

Projected Statement of Operations
Eastview at Middlebury
For Discussion Only

Revenue:	**Sep-13**	**Oct-13**	**Nov-13**	**Dec-13**
Monthly Fee Revenue - Sanctuary	133,840	133,840	133,840	133,840
Monthly Fee Revenue - Resident Care	117,165	117,165	117,165	117,165
Monthly Fee Revenue - Apartments	80,627	80,627	83,227	83,227
Monthly Fee Revenue - Cottages	50,446	50,446	50,446	50,446
Earned Entrance Fee Revenue -	33,941	33,871	35,885	34,593
Investment Income	2,615	2,627	3,360	4,101
Other Revenue	8,020	8,288	8,020	8,288
Total Revenue	426,654	426,862	431,944	431,660
Expenses:				
Administrative Expenses	172,094	172,035	171,976	171,916
Healthcare Expenses	79,144	79,144	79,054	79,054
Dietary Services	77,295	77,525	77,690	77,920
Facilities	31,386	31,439	31,402	31,456
Marketing	15,683	15,683	15,683	15,683
Depreciation	67,150	67,150	67,150	67,150
Other expenses	3,000	3,000	3,000	3,000
Total Expenses	445,752	445,977	445,954	446,179
Increase/Decrease in Net Assets	(19,098)	(19,114)	(14,010)	(14,519)
Cash losses per month	14,111	14,165	17,255	18,039

Statement of Cash Flows

	Sep-13	**Oct-13**	**Nov-13**	**Dec-13**
Cash flows from operating activities:				
Increase (decrease) in net assets	(19,098)	(19,114)	(14,010)	(14,519)
Depreciation and amortization	67,150	67,150	67,150	67,150
Earned entrance fee revenue	(33,941)	(33,871)	(35,885)	(34,593)
Entrance fee proceeds, net of refunds	0	288,729	288,729	0
Net cash used in operating activities	14,111	302,894	305,984	18,039
Cash flows from investing activities:				
Purchases of property, plant and equipment	0	0	0	0
Net cash used in investing activities	0	0	0	0
Cash flows from financing activities:				
Repayment of construction loan	0	0	0	0
Repayment of pre-construction loan	0	0	0	0
Efficiency Vermont	0	0	0	0
Repayment of permanent debt principal	(9,420)	(9,479)	(9,538)	(9,598)
Net cash provided by financing activities	(9,420)	(9,479)	(9,538)	(9,598)
Net increase (decrease) in cash and cash equivalents	4,691	293,415	296,445	8,441
Cash and cash equivalents, beginning of year	1,046,017	1,050,708	1,344,123	1,640,568
Cash and cash equivalents, end of year	**1,050,708**	**1,344,123**	**1,640,568**	**1,649,009**

Projected Statement of Operations
Eastview at Middlebury
For Discussion Purposes Only

Revenue:	2014	2015	2016	2017	2018
Monthly Fee Revenue - Sanctuary	1,654,261	1,703,889	1,755,005	1,807,656	1,861,885
Monthly Fee Revenue - Resident Care	1,448,158	1,491,603	1,536,351	1,582,441	1,629,915
Monthly Fee Revenue - Apartments	1,028,691	1,059,552	1,091,338	1,124,078	1,157,801
Monthly Fee Revenue - Cottages	623,510	642,215	661,482	681,326	701,766
Earned Entrance Fee Revenue -	414,251	418,393	422,577	426,803	431,071
Investment Income	49,470	41,086	53,241	66,909	82,171
Other Revenue	102,437	105,510	108,675	111,935	115,293
Total Revenue	5,320,777	5,462,247	5,628,669	5,801,149	5,979,902
Expenses:					
Administrative Expenses	2,090,816	2,122,295	2,154,275	2,186,735	2,219,655
Healthcare Expenses	966,512	995,507	1,025,372	1,056,133	1,087,817
Dietary Services	963,089	991,982	1,021,741	1,052,393	1,083,965
Facilities	388,792	400,456	412,470	424,844	437,589
Marketing	193,845	199,660	205,650	211,820	218,174
Depreciation	809,882	813,962	818,042	822,122	826,202
Other expenses	36,000	37,080	38,192	39,338	40,518
Total Expenses	5,448,936	5,560,941	5,675,741	5,793,385	5,913,920
Increase/Decrease in Net Assets	(128,158)	(98,694)	(47,072)	7,764	65,982

Statement of Cash Flows

	2014	2015	2016	2017	2018
Cash flows from operating activities:					
Increase (decrease) in net assets	(128,158)	(98,694)	(47,072)	7,764	65,982
to net cash used in operating activities:					
Depreciation and amortization	809,882	813,962	818,042	822,122	826,202
Earned entrance fee revenue	(414,251)	(418,393)	(422,577)	(426,803)	(431,071)
Entrance fee proceeds, net of refunds	1,156,257	298,772	307,735	316,968	316,968
Net cash used in operating activities	1,423,730	595,647	656,128	720,050	778,080
Cash flows from investing activities:					
Additions to property, plant and equipment	(256,200)	(61,200)	(61,200)	(61,200)	(61,200)
Net cash used in investing activities	(256,200)	(61,200)	(61,200)	(61,200)	(61,200)
Cash flows from financing activities:					
Repayment of construction loan	-	-	-	-	-
Repayment of pre-construction loan	(1,327,042)	-	-	-	-
Repayment of permanent debt principal	(119,964)	(129,278)	(139,314)	(150,129)	(161,784)
Net cash provided by financing activities	(1,447,006)	(129,278)	(139,314)	(150,129)	(161,784)
Net increase (decrease) in cash and cash equivalents	(279,476)	405,169	455,614	508,721	555,096
Cash and cash equivalents, beginning of year	1,649,009	1,369,532	1,774,702	2,230,316	2,739,037
Cash and cash equivalents, end of year	**1,369,532**	**1,774,702**	**2,230,316**	**2,739,037**	**3,294,133**

DEBT SERVICE COVERAGE	2014	2015	2016	2017	2018
Net Increase/(Decrease) in assets	(128,158)	(98,694)	(47,072)	7,764	65,982
Add:					
Depreciation	809,882	813,962	818,042	822,122	826,202
Net Entrance Fee Proceeds	1,156,257	298,772	307,735	316,968	316,968
Less Initial Entrance Fees	(866,187)	-	-	-	-
Interest Expense	731,086	721,773	711,737	700,922	689,267
Subtract:					
Earned Entrance Fee Revenue	(414,251)	(418,393)	(422,577)	(426,803)	(431,071)
Cash Available for Debt Service	1,288,630	1,317,420	1,367,865	1,420,972	1,467,347
Debt Service	839,669	851,051	851,051	851,051	851,051
Debt Service Coverage Ratio	**1.53**	**1.55**	**1.61**	**1.67**	**1.72**
DAYS CASH ON HAND					
Cash	1,369,532	1,774,702	2,230,316	2,739,037	3,294,133
Expenses less Depreciation	4,639,054	4,746,980	4,857,700	4,971,263	5,087,719
Days Cash on Hand	**108**	**136**	**168**	**201**	**236**

Projected Statement of Operations
Eastview at Middlebury
For Discussion Purposes Only

Revenue:	2019	2020	2021	2022	2023
Monthly Fee Revenue - Sanctuary	1,917,742	1,975,274	2,034,532	2,095,568	2,158,435
Monthly Fee Revenue - Resident Care	1,678,812	1,729,177	1,781,052	1,834,483	1,889,518
Monthly Fee Revenue - Apartments	1,192,535	1,228,311	1,265,160	1,303,115	1,342,208
Monthly Fee Revenue - Cottages	722,819	744,504	766,839	789,844	813,539
Earned Entrance Fee Revenue -	435,382	439,735	444,133	448,574	453,060
Investment Income	98,824	116,938	136,585	157,842	180,787
Other Revenue	118,752	122,315	125,984	129,764	133,657
Total Revenue	6,164,865	6,356,253	6,554,285	6,759,190	6,971,204
Expenses:					
Administrative Expenses	2,253,007	2,286,761	2,320,883	2,355,334	2,390,070
Healthcare Expenses	1,120,452	1,154,065	1,188,687	1,224,348	1,261,078
Dietary Services	1,116,484	1,149,979	1,184,478	1,220,012	1,256,613
Facilities	450,717	464,238	478,165	492,510	507,285
Marketing	224,719	231,461	238,405	245,557	252,924
Depreciation	830,282	834,362	838,442	842,522	846,602
Other expenses	41,734	42,986	44,275	45,604	46,972
Total Expenses	6,037,394	6,163,852	6,293,336	6,425,887	6,561,544
Increase/Decrease in Net Assets	127,471	192,401	260,949	333,303	409,660

Statement of Cash Flows

	2019	2020	2021	2022	2023
Cash flows from operating activities:					
Increase (decrease) in net assets	127,471	192,401	260,949	333,303	409,660
to net cash used in operating activities:					
Depreciation and amortization	830,282	834,362	838,442	842,522	846,602
Earned entrance fee revenue	(435,382)	(439,735)	(444,133)	(448,574)	(453,060)
Entrance fee proceeds, net of refunds	316,968	316,968	316,968	316,968	316,968
Net cash used in operating activities	839,339	903,995	972,226	1,044,218	1,120,170
Cash flows from investing activities:					
Additions to property, plant and equipment	(61,200)	(61,200)	(61,200)	(61,200)	(61,200)
Net cash used in investing activities	(61,200)	(61,200)	(61,200)	(61,200)	(61,200)
Cash flows from financing activities:					
Repayment of construction loan	-	-	-	-	-
Repayment of pre-construction loan	-	-	-	-	-
Repayment of permanent debt principal	(174,344)	(187,878)	(202,464)	(218,182)	(235,120)
Net cash provided by financing activities	(174,344)	(187,878)	(202,464)	(218,182)	(235,120)
Net increase (decrease) in cash and cash equivalents	603,795	654,916	708,562	764,837	823,850
Cash and cash equivalents, beginning of year	3,294,133	3,897,928	4,552,845	5,261,407	6,026,243
Cash and cash equivalents, end of year	**3,897,928**	**4,552,845**	**5,261,407**	**6,026,243**	**6,850,093**

DEBT SERVICE COVERAGE	2019	2020	2021	2022	2023
Net Increase/(Decrease) in assets	127,471	192,401	260,949	333,303	409,660
Add:					
Depreciation	830,282	834,362	838,442	842,522	846,602
Net Entrance Fee Proceeds	316,968	316,968	316,968	316,968	316,968
Less Initial Entrance Fees	-	-	-	-	-
Interest Expense	676,707	663,172	648,587	632,869	615,931
Subtract:					
Earned Entrance Fee Revenue	(435,382)	(439,735)	(444,133)	(448,574)	(453,060)
Cash Available for Debt Service	1,516,046	1,567,167	1,620,813	1,677,087	1,736,101
Debt Service	851,051	851,051	851,051	851,051	851,051
Debt Service Coverage Ratio	**1.78**	**1.84**	**1.90**	**1.97**	**2.04**
DAYS CASH ON HAND					
Cash	3,897,928	4,552,845	5,261,407	6,026,243	6,850,093
Expenses less Depreciation	5,207,113	5,329,490	5,454,894	5,583,365	5,714,942
Days Cash on Hand	**273**	**312**	**352**	**394**	**437**

Eastview at Middlebury
Financial Statement Executive Summary
For Discussion Only

REVENUES:

We have assumed move-ins and occupancy will occur according to the schedule provided by Concord Realty Advisors 2010 which results in stabilized occupancy in all levels of care by 20 months after opening. At stabilization we would have the following occupancy percentages in each area which are then assumed to be maintained:

Cottages – 100%
Apartments – 100%
Residential Care – 94%
Sanctuary – 94%

In addition, we have assumed that a total of two cottages and two apartments will turnover in the first two years ramping up to 4 apartments and 3 cottages turning over in year three and beyond, which represents about a 10 percent turnover per year and seems consistent with what we have seen in other communities. We have also assumed turnover in Residential Care and the Sanctuary to be one unit in each area every 3 months in the initial year and then every two months in all future years.

Revenues on monthly fees are assumed to increase 3 percent a year and entrance fees to increase 3 percent in each year of the project.

EXPENSES:

The permanent debt assumed to be needed for the Sanctuary and Residential Care portions of the project is $10 million and is assumed to be in place at the start of construction. For the first 18 months, interest only payments at 4% will be made. Thereafter, a 7.5% interest rate and 28 ½ year term are assumed. At project opening, entrance fees from the cottages and independent apartments will be used to pay off approximately $8 million of temporary bank construction financing.

The major expenses, besides salaries, are:

- Property Taxes – Assumed to be approximately $380,000 per year at stabilized occupancy.

- Utilities – Assumption is $2.00 per square foot per year on the main building and common areas based on estimates provided locally and $.50 per square foot for the cottages, because they pay the bulk of their own utilities.

- Land Lease - $240,000 per year starting when combined occupancy of the project reaches 90 percent.

- Property Insurance - $900 per unit per year.

- Raw Food Costs – Assumed to be $3.75 per meal in Residential Care and Sanctuary and $5.50 in the independent living dining room. Guest meals are assumed to be charged for dinner at $14.00 per meal.

Salary schedules are provided in the Summary for each of the expense groups and we are assuming that all expenses will increase by 3 percent per year.

RATIOS

The Debt Service Coverage Ratio of the project is 1.50 percent at stabilized occupancy, which we consider very strong on a 99 unit project.

Days Cash on Hand is 136 during the first year (2015) of stabilization. On a project of this size we would consider anything over 100 day's cash on hand to be acceptable.

OPERATING PLAN

Salaries and benefits represent about 70 percent of the total Operating Plan. Wages have been estimated by using the AAHSA Regional Salary Survey for New England at the midpoint or 50th percentile. Actual wages may vary depending on the local competitive environment for key positions, inflation and unemployment trends between now and the actual opening. On key positions, wages and benefits will need to be competitive with local service programs, Middlebury College and Porter Medical.

Staffing is ramped up at pre-opening to put in place the Department Heads in advance of opening and line staff just prior to opening. The Administrator will be recruited and placed six months prior to opening through a search process that will require board participation.

Administration includes all general operating expense and support related to overall campus administration. These costs can then be allocated on a per resident basis to determine the actual costs, direct and indirect, related to each operating unit. These operating units are a) cottages; b) apartments; c) residential and d) Sanctuary. A total of three FTE's have been budgeted.

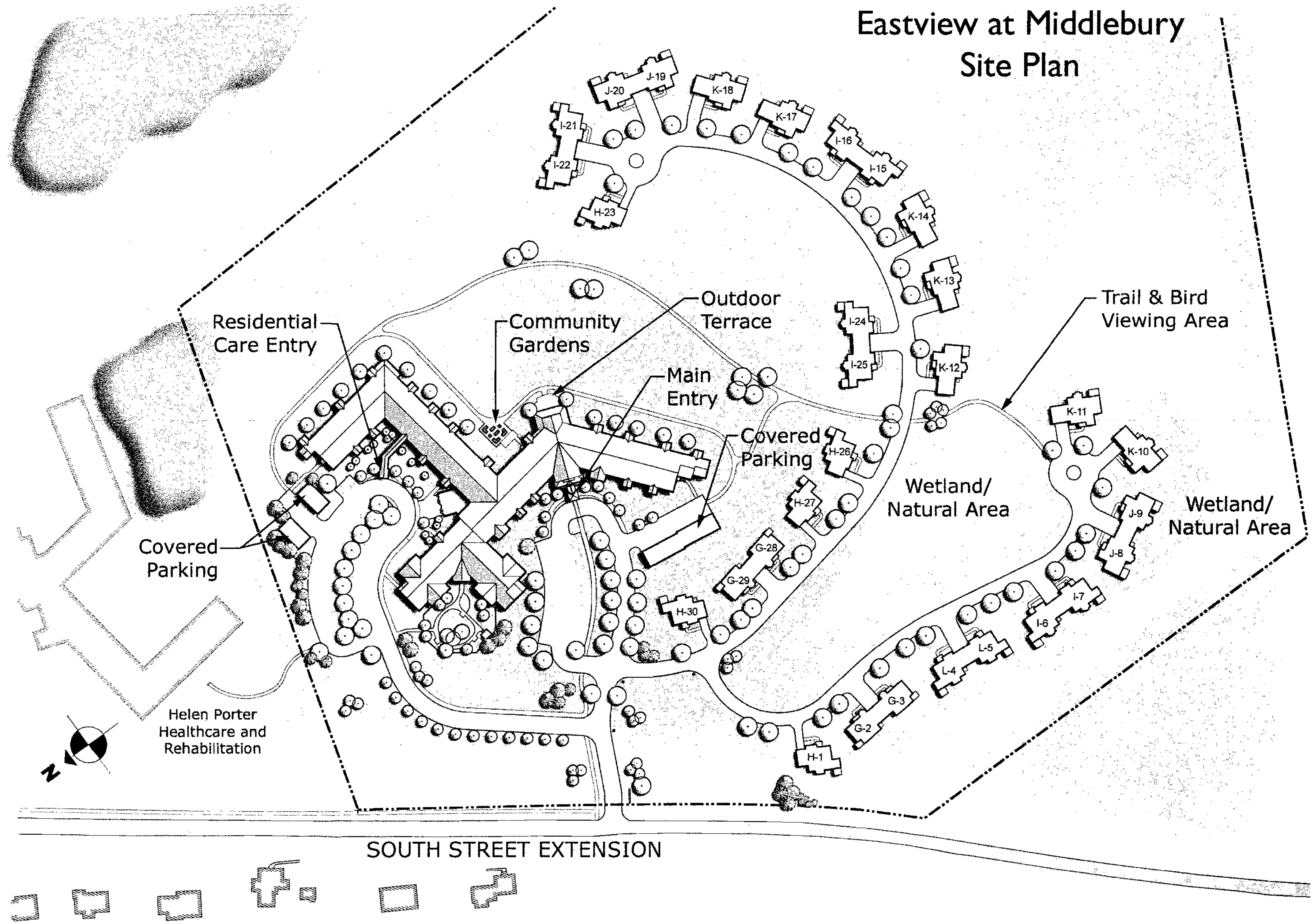
Healthcare represents the combined costs of operating the Residential Care and Sanctuary programs. One Director oversees both units. Twenty-four hour staffing is provided for both units. A total of 19.7

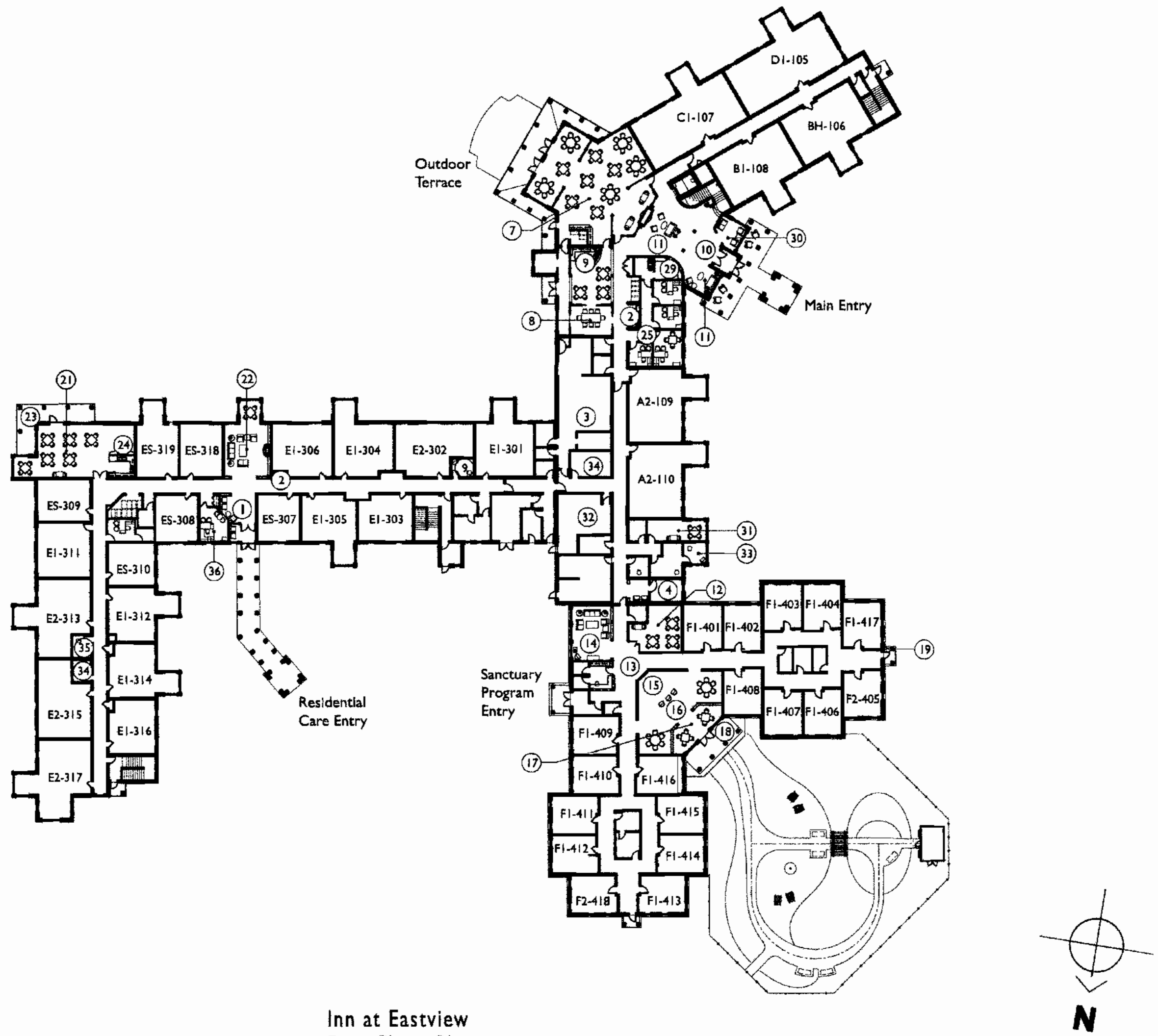
FTE's have been budgeted. Medical supplies includes all supplies for the units including charting, recordkeeping and miscellaneous.

Dietary represents the total costs projected for the operation of the main kitchen and support of four separate programs including a) the main dining room; b) the coffee shop; c) residential and d) the Sanctuary. A total of 10.6 FTE's are projected. As meal service increases in either the main dining room or the coffee shop, line staffing will be increased on a *meals to man hours* formula basis. The current meals to man hours calculation is estimated at 3.16.

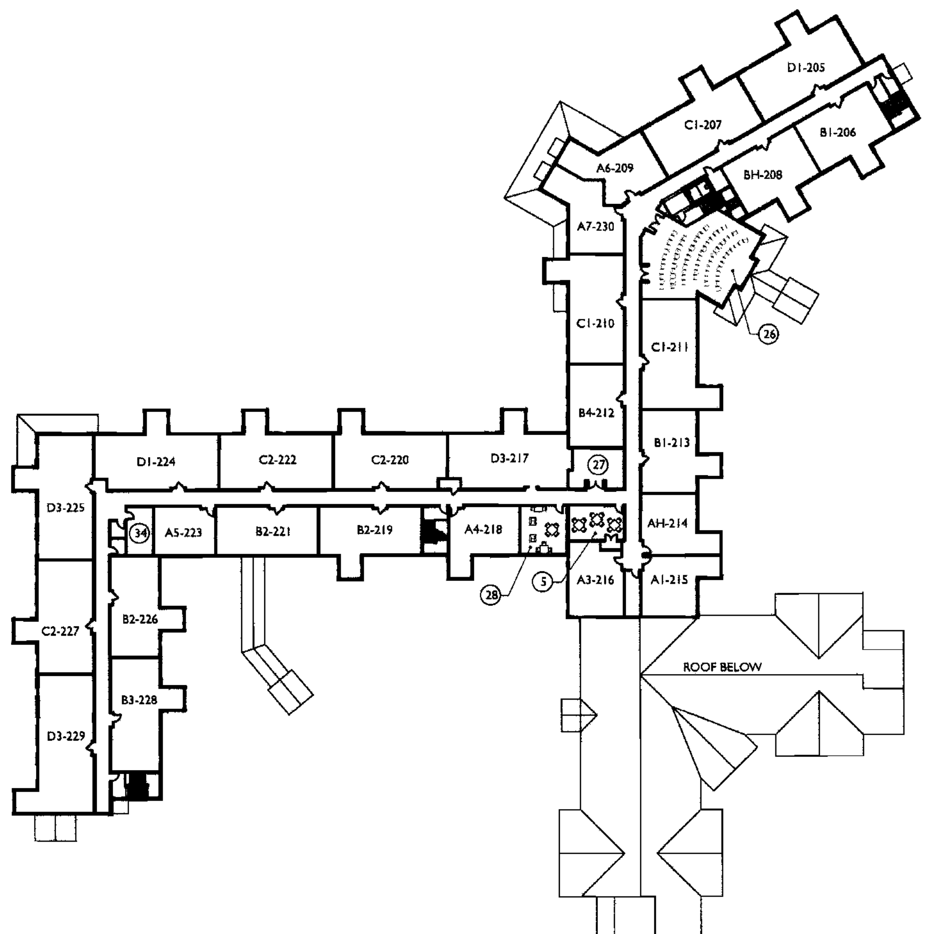
Facilities include the projected costs related to maintenance, housekeeping and transportation. We are assuming that a part-time driver can provide the "on demand" service that will be required, while a contract with the county transportation program will be used for social events, shopping, scheduled events and some medical transportation. The porter position is envisioned to provide heavy cleaning of common areas on the night shift and offer additional staffing for security and emergency support. There are a total of 7 FTE's budgeted for Facilities.

Eastview at Middlebury Site Plan





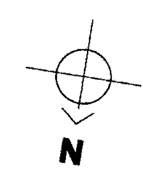
Inn at Eastview
First Floor Plan



Legend

① Residential Care Lobby	⑲ Not Used
② Mail	⑳ Not Used
③ Commercial Kitchen	㉑ Dining
④ Salon	㉒ Living Room
⑤ Arts Studio	㉓ Covered Porch
⑥ Cafe	㉔ Activities
⑦ Dining Room	㉕ Administration
⑧ Private Dining Room	㉖ Media/Auditorium
⑨ Wellness Office	㉗ Fitness Room
⑩ Independent Living Lobby	㉘ Library
⑪ Sitting Area	㉙ Reception
⑫ Activities	㉚ Parlor
⑬ Lobby	㉛ Employee Lounge
⑭ Living Room	㉜ Mechanical/Electrical
⑮ Country Kitchen	㉝ Maintenance
⑯ Dining Room	㉞ Resident Storage
⑰ Sun Room	㉟ Program Office
⑱ Covered Porch	㊱ Residential Care Director

Inn at Eastview
Second Floor Plan



vhfa
Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Joshua Slade, Development Underwriter

DATE: August 2, 2010

RE: Request for an Increase in Taxable Construction Financing: Susie Wilson Road Apartments

Recommendation: That the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the resolution.

Update: At the June 28th 2010 Board Meeting the VHFA Board of Commissioners approved construction financing in the amount of $3,920,000 to The Snyder Group, Inc. for the construction of 30 apartments located at 47 Susie Wilson Road, Essex, Vermont. The Snyder Group, Inc. has requested a construction loan increase in the amount of $435,000 (a total construction loan of $4,355,000) which represents an increase of 11%. This amount is secured by an executed Purchase and Sales Contract with the Cedar's Edge Apartments Limited Partnership (Housing Vermont and Champlain Housing Trust).

Since this project is a turnkey project with The Snyder Group, Inc. acting as General Contractor (GC), the structure is slightly different from what we typically have in place. Usually a developer contracts a GC for hard construction costs and the developer pays for other soft costs directly. In that case, the GC contract includes "retainage" - generally composed of overhead and profit to the GC. The developer then releases this retainage as the project reaches certain milestones. The retainage is fully released at construction completion. By contrast, the developer is paid its profit (in the form of developer's fees) independent of when the contractor is paid its retainage and profit - usually pursuant to a schedule in the partnership agreement, and primarily after certain benchmarks are met (including completion of construction and achieving certain occupancy levels).

In this case, The Snyder Group, Inc. is not the developer. It is the GC and thereby will receive its profit through the typical GC process. VHFA will hold the standard retainage which will be released at certain milestones of the development process. (It is important to note that the retainage only relates to hard construction costs. All soft costs and land acquisition are paid in full as incurred.) So at the end of the construction phase when the project is ready to sell to the tax credit partnership, The Snyder Group, Inc. will have an obligation to VHFA in the amount of $4,335,000, which includes all of their incurred costs and their profit and overhead, as VHFA will have released the retainage. Once the new partnership purchases the building, The Snyder Group, Inc. will realize that profit and overhead.

The appraised value of the completed project is $4,750,000. The new requested loan to value is 91% which is still below the limit of 95% for for-profit developers.

Staff have reviewed this request and recommend approval.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: INCREASE IN CONSTRUCTION FINANCING FOR SUSIE WILSON APARTMENTS, TOWN OF ESSEX

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application to the Agency by The Susie Wilson Housing Company, LLC (the "Borrower") involving the new construction of thirty (30) units of general occupancy rental housing in the Town of Essex (the "Development") has been updated; and

WHEREAS, the application contemplates one or more mortgage loans for construction financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Borrower qualifies as a housing sponsor within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joshua Slade dated August 2, 2010, containing information, conditions and recommendations about the Development (the "Memorandum"); and

WHEREAS, this Resolution amends and replaces that certain resolution of the Board of Commissioners adopted June 28, 2010 entitled "Resolution Re: Construction Financing for Susie Wilson Apartments, Town of Essex";

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for occupancy by persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsor are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, or there is a shortage of temporary transitional or emergency housing to be served by the proposed Development.

4. The housing sponsor undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Borrower is financially responsible and is a qualified housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Borrower in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter shall be conditioned on the satisfaction by the Borrower of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VHFA Board of Commissioners Meeting Minutes
Keen's Crossing, Winooski
Community Room
Monday, August 9, 2010 at 9:00 a.m.

VHFA Board Member Present:
Tom Pelletier (Chair), Kevin Dorn, Beth Pearce (via conference call), Tom Candon, Dagyne Canney, Gus Seelig, Rob Alberts (via conference call), Bart Frisbie

Staff Present:
Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Dave Adams, Cindy Reid, Josh Slade, Maura Collins

Guests Present:
Chris Snyder (Snyder Homes), Anne Gardner (Atlantic Retirement Communities, Consultant), James Daily (Porter Medical Center , President), Joe Tait (Morgan Keegan & Company), Michele Newland (Greenwich Investment Management, Inc., General Counsel) (via conference call), John Wagner (Kutak Rock) (via conference call)

BOARD MEETING
Mr. Pelletier called the Board meeting to order at 9:05 a.m.

PUBLIC COMMENT
Mr. Pelletier opened the meeting to public comment. No members of the public offered comment.

BOARD MINUTES
Mr. Candon moved that the Board approve the June 28, 2010 Board of Commissioners meeting minutes. Mr. Seelig seconded the motion. Ms. Candon asked that the word "option" be changed to "opinion" in the last paragraph on page five. He also asked that the word "coast" be changed to "cost" in the first paragraph on page six. Mr. Pelletier asked that the word "inhabitable" be changed to "uninhabitable" in the third paragraph on page five. Mr. Candon accepted the changes. The amended minutes were approved by all members of the Board except Mr. Frisbie and Mr. Alberts who abstained and Ms. Canney who was absent for the vote.

EXECUTIVE DIRECTOR'S REPORT
Ms. Carpenter reviewed the Executive Director's report. She discussed the recently passed bill that contains the authority for the RD Guarantee Program and noted that we have not heard about the extension of the tax credit exchange program. She reported that they were able to prevent the HOME program from being cut.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

ADMINISTRATION
Tiger Team Report
Ms. Carpenter reviewed the State-hired consultant's memo.

Mr. Adams recapped that the timeline for staff to get information packaged and sent out to the consultants was tight and staff did a wonderful job with pulling it together.

Mr. Seelig said the project and consultants seemed very poorly organized and rushed. The consultants did not understand a lot of the basic housing terms and information. He said that it is hard to see how this will be a beneficial process. Ms. Carpenter agreed that there were some fundamental gaps in the information gathering.

Mr. Dorn said regardless of what the results of the report are, boards in the Vermont housing community should be focusing on the goals articulated by the strategic committee brought together as part of the consultant process. Some of the outcomes they mentioned include: reduce the waiting list for public and subsidized housing, increase by 10% the amount of people whose income allows them to purchase a medium sized home, maintain current homeownership levels of Vermonters who own their own homes, etc. The outcome should be to look for ways to save money in this sector. The four housing Agencies need to look at the findings in the report together and strategize as a group. The Boards need to focus on creating global goals and outcomes.

Mr. Seelig added that this project has been focusing on the minor details and not the big picture. The big picture is what the Board should be focusing on.

Mr. Candon added that the VHFA Board has done a good job focusing on the big picture for the Agency.

Ms. Canney thanked staff for cooperating with the consultants.

DEVELOPMENT
Request for Conduit Bond Financing; Eastview at Middlebury
Mr. Pelletier asked Mr. Seelig to step in as Chair during the Eastview discussion and vote as he recused himself.

Mr. Adams reviewed the Eastview memo. He asked Ms. Gardner and Mr. Daily to discuss the project, Mr. Wagner to review the conduit bond, and Ms. Newland to discuss Greenwich.

Ms. Gardner handed out and reviewed a final Business & Development Plan for Eastview at Middlebury. She reviewed why Eastview would be a good project for VHFA to be involved with.

Mr. Daily reviewed a letter dated July 26, 2010 he addressed to VHFA regarding how Eastview at Middlebury would help Helen Porter Nursing Home's mission to continue to serve Medicaid residents.

Mr. Adams said the Board's biggest question should be why the Agency is doing a conduit bond, as it is not the typical way of doing business. Mr. Adams explained that the Agency's mission was expanded some time ago to cover 501 (c) (3) financings such as Eastview.
Mr. Demas explained how conduit structures work. A conduit bond means it is a pass through. Should the project fall short, VHFA has no financial obligation. Mr. Wagner explained that from a legal standpoint the Agency's general funds are not at risk. Mr. Demas reviewed the financing of the project as outlined in the memo.

Ms. Carpenter added that there is a shortage of good assisted living in Addison County and this project would serve that need.

Mr. Candon asked if this project is predicated on Wake Robin in Shelburne providing management. Ms. Newland explained originally the financing was contingent upon Wake Robin's management and that remains the case, but the term sheet is currently being modified to include approval of a hybrid management structure. Ms. Newland explained that Wake Robin's involvement is vital to this project. Mr. Candon asked how Eastview is different from Wake Robin. Ms. Gardner explained that Wake Robin is a Continuing Care Retirement Community, meaning that residents are promised, and pay for, care for life. Eastview is not "bundled"; residents pay as they go. There is no promise for care in the adjacent Helen Porter Nursing Home. This is a significant reason why Eastview is less expensive than Wake Robin.

Mr. Candon noted the 7.5% interest rate seems high. Ms. Gardner explained that Eastview approached over 30 lending institutions, and 7.5% was the rate they were able to achieve. The rate works within the project's business plan. Ms. Newland added that 7.5% is the current market rate for financing. Ms. Carpenter explained Greenwich is getting the return as a result of assuming all the risk.

Ms. Pearce asked how the risk associated with the project could affect VHFA's reputation. Ms. Carpenter explained the project will have VHFA's name as the issuer but not its credit. Mr. Wagner added that, based on past experience, in the unlikely event that the project fails, it will not adversely affect VHFA's reputation. The market understands the concept of a conduit bond and the role played by the conduit issuer.

Mr. Candon asked if most of the waiting list for Eastview consists of current Addison County residents. Ms. Gardner explained that about 75% of the waiting list consists of Addison County residents or parents of adult children who live in Addison County.

Mr. Frisbie asked if doing a conduit bond on this project affects the Agency's ability to do conduit bonds for other projects in the future. Ms. Carpenter said it does not as it does not use private activity bond cap.

Mr. Frisbie asked how Eastview is different from the Otter Creek project. Ms. Gardner explained that she felt that Otter Creek's design did not reflect what the market was looking for. There were no options for customization which is part of the reason they only have 9 occupied cottage units. Eastview also has private back yards and a special dementia care section which increases its appeal. Mr. Frisbie asked if Otter Creek is competition. Ms. Gardner explained that it is, but, the market study showed the community should be able to absorb both projects.

Mr. Dorn moved that the Board approve the conduit bond and financing resolutions for Eastview at Middlebury as presented. Mr. Candon seconded the motion, which was unanimously approved by all members of the Board except Mr. Pelletier and Mr. Alberts who recused themselves.

After the vote, Mr. Pelletier resumed his role as chair.

Increase in Construction Loan: Susie Wilson Road
Mr. Slade reviewed the Susie Wilson memo.

Ms. Canney moved that the Board approve an increase in taxable construction financing as presented. Mr. Dorn seconded the motion, which was unanimously approved.

Mr. Snyder provided an update on the Middlebury South project. Two homes were sold, and one home, under construction, is under contract with a move-in date of October 8^{th}.

OTHER BUSINESS
NCSHA Annual Conference
Ms. Carpenter announced that the NCSHA Annual Conference will be held in Boston October 2^{nd} through 5^{th}. Interested Board Members should contact Martha Panton, who will send an e-mail regarding the Conference.

Ms. Collins asked Board members to be in contact with her regarding topics they would like to cover at the Board Retreat this fall.

Mr. Pelletier asked Ms. Panton to survey the Board for alternate dates for the September Board meeting.

Mr. Candon moved that the Board adjourn at 10:34 p.m. Mr. Seelig seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: August 30, 2010

RE: Request for 2011 Allocated Housing Credits: Grange Hill, Woodstock

Summary of Request: Twin Pines Housing Trust (TPHT) and Housing Vermont (HVT) are requesting to exchange $550,000 in 9% (ceiling) 2010 Housing Credits for 2011 Housing Credits to develop 28 housing units in Woodstock.

CONSENT

Project Background:

- The eight-acre parcel was acquired by the Woodstock Community Trust (WCT) in 2005. WCT was formed 18 years ago to create affordable housing options in the Woodstock community. WCT joined with TPHT and HVT to create a development team to create 28 units of mixed-income rental housing. The project has been in a permit battle since then. The local permit was granted in spring 2007 which the neighbors appealed. The Environmental Court Judge overturned the local permit 18 months later in September 2008. The project was re-designed to address the Court's decision. Permit applications were re-submitted. By December 2009 the project secured act 250 approval, local DRB approval, and state stormwater permits. A group of neighbors appealed the Act 250 and DRB permits. Sponsors have an Environmental Court date in October 2010. The sponsors anticipate a decision from Judge Wright in the spring of 2011.
- The Town Select Board, Development Review Board, and regional planning commission all support the project.
- A Town-wide vote in March 2009 approved an easement from the high school to allow storm water pipe access.
- The project has nearly all of its funding committed, including AHP, VHCB, HOME, VCDP, Efficiency Vermont, State Credits (awarded by the VHFA Board in August of 2007), TD Bank, Woodstock Community Trust. To date all of the funding sources have stood by the project and kept their commitments in place. There is a gap of approximately $230,000, which could be filled with additional State Credits or another source. .
- This project had its first award of Housing Credits in 2007; The Credits were returned because of the first permit appeal. Credits were again awarded in April of 2009 in the amount of $550,000 (from 2010) and the second permit appeal is underway.
- Historically VHFA has stood by projects that met community needs whose permits were being appealed by neighbors, including McAuley Square in Burlington and Sylvan Woods in Stowe.
- The project is still competitive in regards to Allocation Plan Criteria: It is in-fill new construction in a community with a lack of affordable housing stock; it is family housing; it is near a designated village center, and will incorporate universal design principles.
- <u>Staff is proposing to take back the 2010 Credits from Grange Hill; Staff is also recommending that the Board award $550,000 in 9% Credits from 2011 to the project</u>. This will allow the project to move forward as soon as the project is granted approval from the legal system. It is still possible for the project to begin construction in 2011 and complete construction in 2012.
- <u>Staff intends to extend to 12/31/2011 the $5 million construction loan commitment made to the project originally approved by the VHFA Board in April 2009.</u>

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR GRANGE HILL, TOWN OF WOODSTOCK

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Twin Pines Housing Trust (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the acquisition, rehabilitation and new construction of a total of twenty-eight (28) units of general occupancy rental housing in the Town of Woodstock (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated August 30, 2010, containing information, conditions and recommendations about the Development (the "Memorandum"); and

WHEREAS, this Resolution amends that certain resolution of the Board of Commissioners adopted April 6, 2009 entitled "Resolution Re: Construction Financing and Proposed Allocation of Allocated Housing Credits for Grange Hill, Town of Woodstock" to the extent such resolution relates to the same subject matter;

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $550,000.00 for the Grange Hill housing project in the Town of Woodstock, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: August 30, 2010

RE: Request for Construction Loan & Bond Housing Credits: 58 Barre Street Senior Housing, Montpelier

Name:	58 Barre Street Senior Housing	**Location:**	Montpelier
Housing Type:	Senior	**Unit Type:**	Flats
Unit Count:	14 units 12 tax credit units	**Unit Sizes:**	14 1-BR @ 662 s.f.
Total Cost:	$3,227,200	**Per S.F. Acquisition & Construction Cost:**	$194
Credits Requested:	$68,500 4% Credits	**Sponsor:**	Capital City Housing Foundation Inc.
Loan Requested:	$2,000,000 Construction Loan (tax-exempt)		
Other Funding: USDA RD, VHCB, HOME, VHCB Energy Funds, Efficiency Vermont, VCDP, Montpelier Housing Trust Fund/Revolving Loan Fund, Downtown Credit, Historic Credit, Montpelier Energy Fund			

Summary of Request: Capital City Housing Foundation Inc. (CCHF), a subsidiary of the Montpelier Housing Authority (MHA), is requesting $2,000,000 in tax-exempt construction financing and $68,500 in 4% (bond) Housing Credits to develop 14 residential rental units for seniors in Montpelier.

Project Background: In December 2009 a fire caused damage to a former school building located at 58 Barre Street in Montpelier. The building was home to the Montpelier Senior Activity Center (MSAC), which was temporarily relocated until the future of the building could be worked out. A community planning process ensued, in which the City, the MSAC, MHA, and other community interests participated. The process shaped this proposal, which is to re-develop the property into two condominiums, one owned by the City which will be the newly refurbished MSAC and will be located on the first floor and part of the second floor. The other condominium, to be donated by the City, will be owned by a to-be-formed limited partnership with CCHF as its General Partner, and will be located on the second and third floors. This second condo will be comprised of 14 residential rental units for seniors and disabled individuals. The building will be serviced by an elevator and be totally accessible. Twelve of the units will have rental assistance from Rural Development serving seniors below 50% of area median income (and as low as 30% of median income), the remaining two units will be market rate, serving residents from 60% - 100% of area median income. The units will be available to seniors 62 and older, and disabled individuals. Seniors will have services available to them from the on-site MSAC, including meals, health monitoring and social services. The building is located adjacent to downtown in a mixed-use neighborhood of residential and commercial properties, and is close to a grocery store, pharmacy, health services, banks, library, restaurants, etc. There will be a community room, laundry room and outdoor green space (the building is on a one-acre parcel). The proposed project has had broad community support and the City of Montpelier has been actively supportive. The market study strongly supports the project. The vacancy rate in Montpelier is estimated at 2.7% - 2.9%. The combination of an increasing population of seniors 65 and older, the need for deeply subsidized rental housing units, and the location of the building being both adjacent to downtown and co-located with the Montpelier Senior Activity Center all contribute to the need for and marketability of the project. The market analyst estimates that full lease up will take only one month.

Local permits and some state permits are required (but not Act 250 as the project is in a Designated Downtown). The sponsor anticipates having all necessary permit approvals by December 2010. A number of sources of funding are committed, including the USDA RD 515 permanent loan and rental assistance. The funding sources not yet committed include VHCB and HOME (September 30 decision), VHCB energy funding (October decision) and VCDP (October decision). Take out sources for the construction loan include tax credit equity and the RD permanent loan. Jeffrey Kantor is the development consultant and is working on placing the tax credit equity.

The proposed energy improvements to the building incorporated to a great extent the Net Zero Energy consumption goals of the RD Notice of Funding Availability. The architect and energy consulting team planned the rehab such that 85% of the building's energy supply will be generated on site. Some of the features include: super insulation, photovoltaic 25kw, solar hot water, wood pellet boiler, energy efficient lighting and heat exchange ventilation. The rehab is proposed to meet a number of energy ratings including LEED platinum, NAHB silver, and VHFA Green Building Design standards. The energy efficiency proposed is a challenge considering this is an adaptive re-use of an historic building.

Construction is anticipated to begin in April 2011 and be completed by December 2011. Montpelier Housing Authority will manage the property, and has years of experience managing senior housing. Construction of the MSAC will occur concurrently.

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence; and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION FINANCING AND PROPOSED USE OF BOND HOUSING CREDITS FOR 58 BARRE STREET SENIOR HOUSING, CITY OF MONTPELIER

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Capital City Housing Foundation, Inc. (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition and rehabilitation of fourteen (14) units of senior rental housing in the City of Montpelier (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsor qualifies and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated August 30, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for occupancy by persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, or there is a shortage of temporary transitional or emergency housing to be served by the proposed Development.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsor for the construction financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsor in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

4. The recommendations for the use of Bond Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

5. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the use of Bond Housing Credits in an amount necessary for the Development's feasibility for the 58 Barre Street Senior Housing project in the City of Montpelier, Vermont.

6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

1-Sep-10	58 Barre Street Senior Housing		
Total Residential Units:	14	Increase in Income from Rental Units:	2.4%
Housing Credit Restricted Units:	12	Increase in Income from Other Sources:	2.0%
Percent Restricted:	86%	Increase in Income from Commercial:	0%
Total Development Cost:	3,227,200	Expense increase:	3.0%
Total Development Cost per Unit:	230,514	Vacancy Rate:	5.0%
Total Development Cost Per SF:	255	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	40.0
Historic Credit	531,740	Short Depreciation Schedule:	5
State Credit			
Max Credit	69,366	Sponsor's Estimated Yield:	

HC Credit Allocated	**68,500**			
LIHTC - 4%	3.28%	DCR Yr 1 & 15	109%	106.73%
LIHTC - 4%	3.28%	September 2010		

SOURCES		% TDC	Interest Rate	Amortization	Term
RD 515	875,000	27.11%	1.00%	50	30
VHCB	335,000	10.38%	0.00%	30	deferred
VHCB ARRA	35,000	1.08%	0.00%	30	deferred
HOME	321,400	9.96%	0.00%	30	deferred
MHA deferred fee loan	25,000	0.77%	0.00%	30	deferred
VHCB Feasiblity	10,000	0.31%		GP Captial Contribution	
City Housing Trust Fund	100,000	3.10%	0.00%	30	deferred
City ARRA grant	30,000	0.93%		GP Captial Contribution	
City Planning Grant & pre develpmnt	21,700	0.67%			
Efficiency VT	7,000	0.22%		GP Captial Contribution	
VCDP	295,000	9.14%	0.00%	30	deferred
Downtown State Credit	92,000	2.85%			
Tax Credit Equity (LP Cap Contrib)	1,080,100	33.47%			Equity
TOTAL SOURCES	3,227,200	100.00%			

USES		
Acquisition	7,000	0.22%
Construction Hard Costs	2,453,000	76.01%
Soft Costs	767,200	23.77%
TOTAL USES	3,227,200	100.00%
VHFA Construction Loan	**2,000,000**	62% tax exempt
Gap	0	

58 Barre Street Senior Housing 01-Sep-10

	USES OF FUNDS	Budget Total	Per Unit	Per s.f.	VHCB Terms:_____	HOME Terms:____	Equity Terms:_____	RD USDA	City; RLF & HousingTrust	VCDP / Downtwn	Feasibility,EVT,deffered Fee
	ACQUISITION										
1	Land		0	0.00							
2	Buildings		0	0.00							
3	Property Appraisal		0	0.00							
4	Legal - Title and Recording	7,000	500	0.55	7,000						
5	**Subtotal - Acquisition**	7,000	500	0.55							
6	CONSTRUCTION HARD COSTS										
7	Construction	2,083,000	148,786	164.66		191,400	580,600	875,000	67,000	362,000	7,000
8	Construction Contingency	200,000	14,286	15.81			200,000				
9	Lead abatement	15,000	1,071	1.19					15,000		
10	UST removal	10,000	714	0.79					10,000		
11	Asbestos Abatement & Testing	15,000	1,071	1.19					15,000		
12	Solar DHW & PV (net cost)	95,000	6,786	7.51		95,000					
13	Furnishings, Fixtures, & Equipment	35,000	2,500	2.77			35,000				
14			0	0.00							
15	**Subtotal - Hard Costs**	2,453,000	175,214	193.91							
16	SOFT COSTS										
17	Architectural / Energy Consult	162,000	11,571	12.81	108,000				25,000	25,000	4,000
18	Testing	6,500	464	0.51	6,500						
19	Legal/Accounting	18,000	1,286	1.42	16,500				1,500		
20	Cost Certification	6,500	464	0.51			6,500				
21	Civil Engineer	25,000	1,786	1.98	14,500				10,500		
22	Environmental Assessment	1,500	107	0.12							1,500
23	Survey / Topo	4,500	321	0.36					4,500		
24	Permits/Fees	21,500	1,536	1.70	21,500						
25	Market Study	3,200	229	0.25					2,700		500
26	Construction Period Insurance	15,000	1,071	1.19	15,000						
27	Construction Interest	60,000	4,286	4.74	10,000	35,000	15,000				
28	Loan Origination Fee	0	0	0.00							
29	Taxes During Construction		0	0.00							
30	Clerk of the Works	12,000	857	0.95	12,000						
31	Marketing	1,500	107	0.12			1,500				
32	VHFA Tax Credit Fees	3,500	250	0.28	3,500						
33	Bank Inspection Fees	6,500	464	0.51	6,500						
34	Soft Cost Contingency	10,000	714	0.79			10,000				
35	Permanent Loan Origination Fee		0	0.00							
36	Lenders Counsel's Fee	6,500	464	0.51	6,500						
37	Historic Consultant & Fees	5,000	357	0.40	4,500				500		
38	Other (_CNA_)	2,500	179	0.20	2,500						
39	SYNDICATION COSTS										
40	LP Legal	1,500	107	0.12			1,500				
41	Bridge Loan Fees and Expenses	14,500	1,036	1.15			14,500				
42	Syndication Consultant	3,000	214	0.24			3,000				
43	Tax Opinion		0	0.00							
44	DEVELOPER'S FEES		0								
45	Developer's Fees	210,000	15,000	16.60	102,500		107,500				
46	deferred fee	25,000	1,786	1.98							25,000
47	Consultant Fees	87,000	6,214	6.88	33,000		50,000				4,000
48	RESERVES		0								
49	Operating Rerserve	30,000	2,143	2.37			30,000				
50	Rent-up (Deficit Escrow) Reserve	15,000	1,071	1.19			15,000				
51	Other Operating Reserves		0	0.00							
52	Sinking Fund		0	0.00							
53	Replacement Reserves	10,000	714	0.79			10,000				
54	**Subtotal - Soft Costs**	767,200	54,800	60.65							
55	**TOTAL DEVELOPMENT COSTS**	**3,227,200**	230,514	255.11	370,000	321,400	1,080,100	875,000	151,700	387,000	42,000
					370,000	321,400	1,080,100	875,000	151,700	387,000	42,000

	58 Barre Street Senior Housing	01-Sep-10				
		TOTAL BUDGET	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Basis
1	Land	0				
2	Buildings	0				
3	Property Appraisal	0				
4	Legal - Title and Recording	7,000	7,000		7,000	
5						
6	CONSTRUCTION HARD COSTS	0				
7	Construction	2,083,000		2,083,000	2,083,000	1,833,000
8	Construction Contingency	200,000		200,000	200,000	200,000
9	Lead abatement	15,000		15,000	15,000	15,000
10	UST removal	10,000		10,000	10,000	10,000
11	Asbestos Abatement & Testing	15,000		15,000	15,000	15,000
12	Solar DHW & PV (net cost)	95,000		95,000	95,000	
13	Furnishings, Fixtures, & Equipment	35,000		35,000	35,000	
14	0	0				
15						
16	SOFT COSTS	0				
17	Architectural / Energy Consult	162,000		162,000	162,000	162,000
18	Testing	6,500		6,500	6,500	6,500
19	Legal/Accounting	18,000		18,000	18,000	18,000
20	Cost Certification	6,500		6,500	6,500	6,500
21	Civil Engineer	25,000		25,000	25,000	25,000
22	Environmental Assessment	1,500		1,500	1,500	1,500
23	Survey / Topo	4,500		4,500	4,500	4,500
24	Permits/Fees	21,500		21,500	21,500	21,500
25	Market Study	3,200		3,200	3,200	3,200
26	Construction Period Insurance	15,000		15,000	15,000	15,000
27	Construction Interest	60,000		60,000	60,000	60,000
28	Loan Origination Fee	0		0	0	0
29	Taxes During Construction	0		0	0	0
30	Clerk of the Works	12,000		12,000	12,000	12,000
31	Marketing	1,500			0	
32	VHFA Tax Credit Fees	3,500			0	
33	Bank Inspection Fees	6,500		6,500	6,500	6,500
34	Soft Cost Contingency	10,000		10,000	10,000	10,000
35	Permanent Loan Origination Fee	0		0	0	0
36	Lenders Counsel's Fee	6,500		6,500	6,500	6,500
37	Historic Consultant & Fees	5,000		5,000	5,000	5,000
38	Other (_CNA_)	2,500				
39	SYNDICATION COSTS	0				
40	LP Legal	1,500				
41	Bridge Loan Fees and Expenses	14,500				
42	Syndication Consultant	3,000				
43	Tax Opinion	0				
44	DEVELOPER'S FEES	0				
45	Developer's Fees	210,000		210,000	210,000	210,000
46	deferred fee	25,000		25,000	25,000	25,000
47	Consultant Fees	87,000		87,000	87,000	87,000
48	RESERVES	0				
49	Operating Rerserve	30,000				
50	Rent-up (Deficit Escrow) Reserve	15,000				
51	Other Operating Reserves	0				
52	Sinking Fund	0				
53	Replacement Reserves	10,000				
54						
	TOTAL DEVELOPMENT COSTS	**3,227,200**	7,000	3,138,700	3,139,200	2,758,700
LESS:	Amount of Non-qualified Financing		0			20,000
LESS:	Adjustment for per unit cost limits	0%		0	Historic Credit	531,740
LESS:	Historic tax Credit			531,740		
	Total Eligible Basis		7,000	2,606,960		
TIMES:	Adjusted for QCT/DDA	**100.0%**		2,606,960	**100.00%**	
TIMES:	Applicable Fraction		5,679	2,114,815	**81.12%**	
	Total Qualified Basis		5,679	2,114,815		
TIMES:	Applicable Percentage		3.28%	3.28%		
	Total Annual Credit Qualified		0	69,366		
	Total Allocated Tax Credits	68,500	TOTAL HC'S	69,366		

Estimated Net Syndication Proceeds (excluding historic credit equity)	1,080,100
Estimated Yield - Housing Credit Syndicatio	157.84%
Equity Gap	#REF!
Credits Needed to fill Equity Gap	#REF!

2,572,460	Long Term Depreciable Basis
40.0	Depreciation Schedule
64,312	Annual Depreciation
0	Mid Ter m Depreciation
15	Depreciation Schedule
0	Annual Depreciation
35,000	Short Term Depreciable Basis
5	Depreciation Schedule
7,000	Annual Depreciation

APPLICABLE FRACTION CALC

	UNITS	Square footage
Housing Credit Units	12	7,520
Total Units	14	9,270
Applicable Fraction	85.71%	81.12%

Total Housing Credit	69,366
Total Long Depreciation	64,312
Total Short Depreciation	7,000

01-Sep-10 **58 Barre Street Senior Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br	60%	660	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	50%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	50%	620	1	800		9,600
1 Br	60%	660	1	800		9,600
1 Br	50%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br	60%	620	1	800		9,600
1 Br						0
1 Br						0
						0
	Total SF units	7,520				
	Totals		12			115,200

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
1 Br	100%	875	2	850		20,400
1 Br	80%					0
	Totals	1,750	2			20,400

All Units	Total SF units	**9,270**	**14**		**135,600**
	Common	**3,380**			
	Total SF	**12,650**			
		Less Vacancy	5.00%		(6,780)
				NET RENT	128,820

OTHER INCOME

Commercial Space		80%	
Laundry			1,200
Other	interest		200
		TOTAL INC	130,220

		Check all Applicable							A					B						C					
Building #	Unit #	HOME Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage (NET)	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
														<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
58 Barre St													0												
	1	1	1	1	1	1			1	660	800	0	800			1				1					
	2	1	1	1	1	1			1	620	800	0	800		1					1					
	3	1	1	1	1		1		1	620	800	0	800		1					1					
	4	1	1	1	1		1		1	620	800	0	800			1				1					
	5	1	1	1	1		1		1	620	800	0	800			1				1					
	6	1	1	1	1		1		1	660	800	0	800			1				1					
	7				1		1	1	1	875	850	0	850					1					1		
	8	1	1	1	1		1		1	620	800	0	800			1				1					
	9	1	1	1	1		1		1	620	800	0	800			1				1					
	10		1	1	1		1		1	620	800	0	800			1				1					
	11		1	1	1		1		1	620	800	0	800			1				1					
	12		1	1	1		1		1	620	800	0	800			1				1					
	13		1	1	1		1		1	620	800	0	800			1				1					
	14				1		1	1	1	875	850	0	850					1					1		
Total # Units		8	12	12	14	2	12	2	Totals:	9,270	11,300		Total # Units:	0	2	10	0	2	0	12	0	0	2	0	0

01-Sep-10 **58 Barre Street Senior Housing**

	Annual	Monthly	Per Unit Per Month
Administration			
Management Fee	9,240	770	55
Supportive Services		0	0
Audit/Accounting	6,000	500	36
Legal	1,000	83	6
Compliance Monitoring	864	72	5
Marketing	500	42	3
Other Mgmnt Overhead	2,100	175	13
TOTAL ADMINISTRATIVE	19,704	1,642	117
Utilities			
Electricity	9,500	792	57
Fuel	9,000	750	54
Water and Sewer	6,800	567	40
Fire Alarm / Emergency	2,500	208	15
Other	0	0	0
TOTAL UTILITIES	27,800	2,317	165
Maintenance			
Maintenance / Janitor Payroll	6,000	500	36
Janitor Supplies	500	42	3
Exterminating	150	13	1
Trash Removal	1,200	100	7
Snow Removal	3,500	292	21
Grounds	1,000	83	6
Repairs Material	1,700	142	10
Repairs Contract	4,200	350	25
HVAC Repairs / Maintenance	2,000	167	12
Elevator Contract / Repairs	3,000	250	18
Painting and Decorating	1,500	125	9
Other	1,000	83	6
TOTAL MAINTENANCE	25,750	2,146	153
Real Estate Taxes	14,500	1,208	86
Property Insurance	6,000	500	36
Flood Insurance	0	0	0
Replacement Reserves	8,400	700	50
Other "must pay" debt service	0	0	0
Other	750	63	4
Total	102,904	8,575	613

per unit month excl. ds & res.
558

01-Sep-10 **58 Barre Street Senior Housing**

Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Income																
Gross Rent		135,600	138,854	142,187	145,599	149,094	152,672	156,336	160,088	163,930	167,865	171,893	176,019	180,243	184,569	188,999
Other Income		1,400	1,428	1,457	1,486	1,515	1,546	1,577	1,608	1,640	1,673	1,707	1,741	1,776	1,811	1,847
Vacancy and other losses		(6,780)	(6,943)	(7,109)	(7,280)	(7,455)	(7,634)	(7,817)	(8,004)	(8,197)	(8,393)	(8,595)	(8,801)	(9,012)	(9,228)	(9,450)
Total Operating Income		130,220	133,340	136,534	139,805	143,154	146,584	150,096	153,692	157,374	161,145	165,005	168,959	173,007	177,152	181,396
Operating Expenses																
Total Expenses (excl. Reserves)		94,504	97,339	100,259	103,267	106,365	109,556	112,843	116,228	119,715	123,306	127,005	130,816	134,740	138,782	142,946
GP Asset Mgmnt Fee		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Reserves		8,400	8,602	8,808	9,019	9,236	9,458	9,685	9,917	10,155	10,399	10,648	10,904	11,166	11,433	11,708
Total Operating Expense		105,904	108,941	112,067	115,287	118,601	122,014	125,527	129,145	132,870	136,705	140,654	144,719	148,906	153,216	157,654
Net Operating Income		24,316	24,399	24,467	24,519	24,554	24,571	24,569	24,547	24,504	24,440	24,352	24,239	24,101	23,936	23,742
Less Primary Debt Service		22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245	22,245
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		2,071	2,154	2,222	2,273	2,308	2,325	2,324	2,302	2,259	2,194	2,106	1,994	1,856	1,691	1,497
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		2,071	2,154	2,222	2,273	2,308	2,325	2,324	2,302	2,259	2,194	2,106	1,994	1,856	1,691	1,497
DCR		109.31%	109.68%	109.99%	110.22%	110.38%	110.45%	110.44%	110.35%	110.16%	109.86%	109.47%	108.96%	108.34%	107.60%	106.73%
Cumulative Cash Flow																
Beginning Balance		30,000	32,311	34,724	37,222	39,792	42,416	45,077	47,756	50,433	53,087	55,696	58,236	60,682	63,007	65,183
Deposits		2,071	2,154	2,222	2,273	2,308	2,325	2,324	2,302	2,259	2,194	2,106	1,994	1,856	1,691	1,497
Interest	1.5%	241	258	277	296	316	336	356	375	395	415	434	452	469	485	500
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		32,311	34,724	37,222	39,792	42,416	45,077	47,756	50,433	53,087	55,696	58,236	60,682	63,007	65,183	67,180
Cumulative Replacement Reserves																
Beginning Balance		10,000	18,613	27,419	36,498	45,859	55,508	65,453	75,701	86,260	97,138	108,344	119,884	131,769	144,007	156,606
Deposits		8,400	8,602	8,808	9,019	9,236	9,458	9,685	9,917	10,155	10,399	10,648	10,904	11,166	11,433	11,708
Interest	1.5%	213	204	272	341	413	487	564	642	723	807	892	981	1,072	1,166	1,262
Withdrawals		0	0	0	0		0	0	0	0		0	0	0	0	
Ending Balance		18,613	27,419	36,498	45,859	55,508	65,453	75,701	86,260	97,138	108,344	119,884	131,769	144,007	156,606	169,576
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		24,316	24,399	24,467	24,519	24,554	24,571	24,569	24,547	24,504	24,440	24,352	24,239	24,101	23,936	23,742
Plus Reserves		8,400	8,602	8,808	9,019	9,236	9,458	9,685	9,917	10,155	10,399	10,648	10,904	11,166	11,433	11,708
Less Interest Expense		(8,688)	(8,552)	(8,414)	(8,275)	(8,135)	(7,993)	(7,850)	(7,705)	(7,559)	(7,412)	(7,263)	(7,112)	(6,960)	(6,807)	(6,652)
Less Bridge Loan interest		(14,500)														
Less Long Depreciation		(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)	(64,312)
Less Mid Depreciation		0	0	0	0	0	0	0	0	0	0					
Less Short Depreciation		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	0	0	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(61,783)	(46,863)	(46,451)	(46,049)	(45,657)	(38,277)	(37,908)	(37,553)	(37,212)	(36,885)	(36,574)	(36,281)	(36,005)	(35,749)	(35,513)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		21,624	16,402	16,258	16,117	15,980	13,397	13,268	13,144	13,024	12,910	12,801	12,698	12,602	12,512	12,429
Plus Tax Credits		600,240	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500	68,500					
After Tax Cash Flow		621,864	84,902	84,758	84,617	84,480	81,897	81,768	81,644	81,524	81,410	12,801	12,698	12,602	12,512	12,429

58 Barre street : Site map

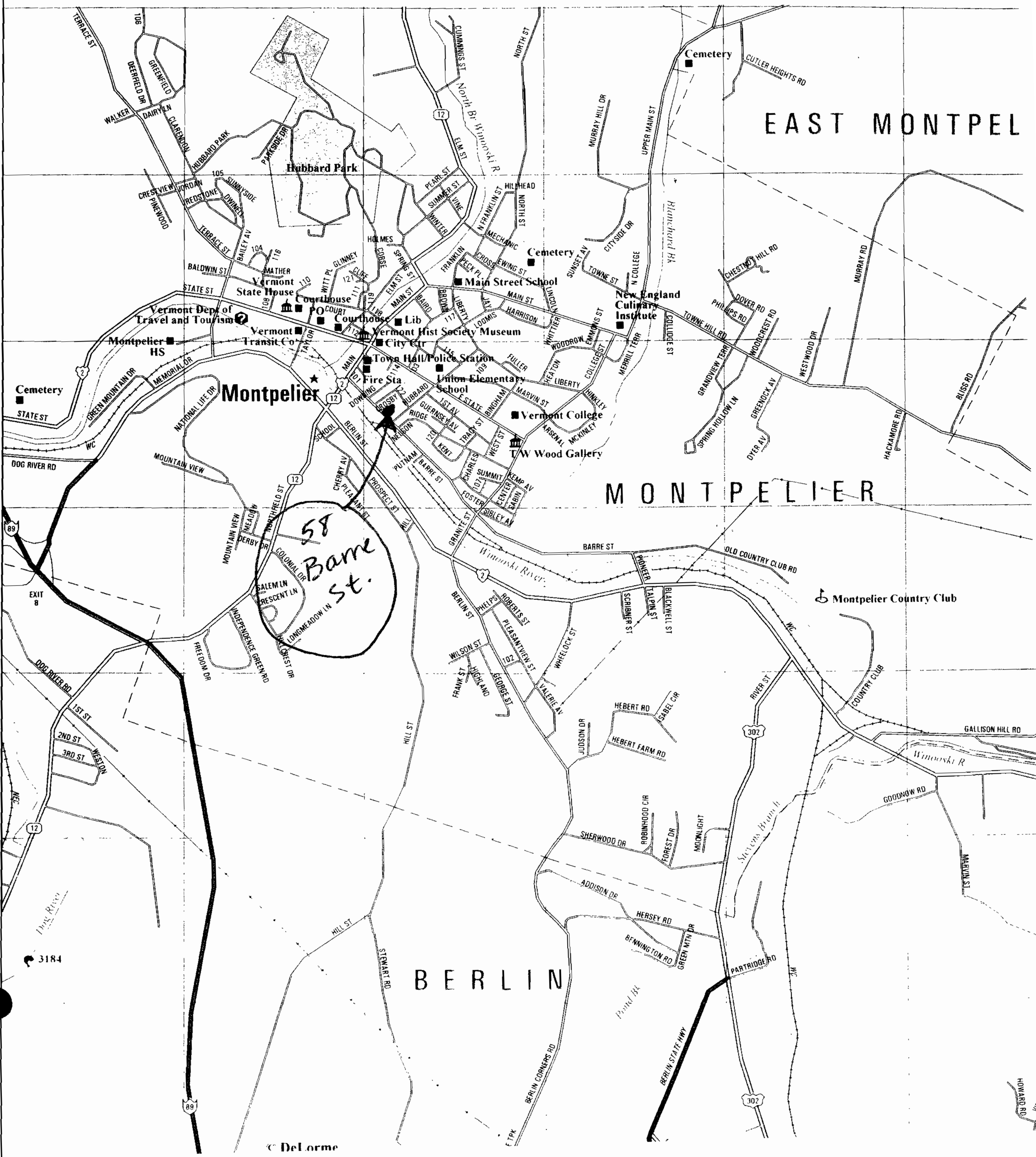
8 9 10 11 12 13

MONTPELIER

SEE PAGES 40–41

***Numbers** replace street names where map space is limited*

1ST AV D10
1ST ST F8
2ND ST F8
3RD ST F8
ADDISON DR G11
ARSENAL DR D11
BAILEY AV C9
BAIRD ST C10
BALDWIN ST C9
BARRE ST D10, E11
BENNINGTON RD G11
BERLIN CORNERS RD H10
BERLIN ST D9, E10
BERLIN STATE HWY H11
BERLIN STATE HWY/**100** H11
BINGHAM ST D10
BLACKWELL ST E11
BLANCHARD CT/**101** D9
BLISS RD B14, D13
BLODGETT AV/**102** E10
BRAZIER RD C14
BROWN ST C10
CEDAR ST/**103** D10
CENTER ST D10
CHAPMAN RD/**104** C9
CHARLES ST D10
CHERRY AV D9
CHESTNUT HILL RD C12
CITYSIDE DR C11
CLARENDON AV B8
CLIFF ST C9
COLLEGE ST D11
COLLIDGE ST C11
COLONIAL DR E9
CORSE ST C10
COUNTRY CLUB RD F12
COURT ST C9
CRESCENT LN E9
CRESTVIEW DR C8
CROSBY AV D10
CROSS ST C10
CUMMINGS ST B10
CUTLER HEIGHTS RD B12
DAIRY LN B8
DEERFIELD DR B8
DERBY DR E9
DEWEY ST/**105** B9
DOG RIVER RD D8, E8
DOVER RD C12
DOWNING ST D9
DUNPATRICK CIR/**106** B8
DWINELL ST C9
DYER AV D12
E STATE ST D10
EDWARDS ST/**107** D10
ELM ST B10, C10
EMMONS ST D11
EWING ST C10
FOREST DR G11
FOSTER ST D10
FRANK ST F10
FRANKLIN ST C10
FREEDOM DR E9
FULLER ST D10
GALLISON HILL RD F13
GEORGE ST F10
GLINNEY PL C9
GOODNOW RD F12
GOVERNOR DAVIS AV/**108** C9
GRAHAM TERR/**109** D10
GRANDVIEW TERR D11
GRANITE ST E10
GREEN MOUNTAIN DR D8, G11
GREENFIELD TERR B8
GREENOCK AV D12
GREENWOOD TERR/**110** C9
GUERNSEY AV D10
HACKAMORE RD D12
HARRISON AV C10
HEATON ST D11
HEBERT FARM RD F11
HEBERT RD F11
HERSEY RD G11
HIGHLAND AV E10
HILL ST E10, F10, G9
HILLCREST DR E9
HILLHEAD ST C10
HILLSIDE AV/**111** C9
HINKLEY ST D11
HOLMES CT C10
HOWARD RD H13
HUBBARD PARK DR B9
HUBBARD ST D10
INDEPENDENCE GREEN RD E9
ISABEL CIR F11
JAY ST C10
JORDAN ST C8
JUDSON DR F11
KELLY AV H13
KEMP AV D10
KENNEL RD C13
KENT ST D10
LANGDON ST/**112** C9
LEPAGE RD/**113** G14
LIBERTY ST C10, D11
LINCOLN AV C11
LONGMEADOW LN E9
LOOMIS ST C10
MAIN ST C10, D9
MAPLEWOOD RD E14
MARVIN ST D10, G13, H13
MATHER TERR C9
MCKINLEY ST D11
MEADOW LN E9
MECHANIC ST C10
MEMORIAL DR D8
MERRILL TERR D11
MILES CT/**114** D10
MOONLIGHT TERR G11
MOUNTAIN VIEW ST D8, E9
MURRAY HILL DR B11
MURRAY RD C12
N COLLEGE ST C11
N FRANKLIN ST C10
NATIONAL LIFE DR D8
NELSON ST D10
NORTH ST B10, C10
NORTHFIELD ST E9
OLD COUNTRY CLUB RD E12
PAINE TPK H10
PARK AV/**115** D10
PARKSIDE DR B9
PARTRIDGE RD G12
PEARL ST C10
PECK PL C10
PHELP
PHILLI
PINEW
PIONEI
PLEAS.
PLEAS. E10
PROSP
PUTNA
REDST
RICHAF C9
RIDGE
RIVER
ROBERT
ROBINH



58 Barre St.
Montpelier

SURVEYOR'S CERTIFICATION

TO THE CITY OF MONTPELIER

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT WAS BASED WERE MADE IN ACCORDANCE WITH "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA, AND NSPS IN 2005, AND INCLUDES ITEMS 1-5, 7A, 8-11A, 12, AND 13, OF TABLE "A" THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA, AND NSPS, AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT IN MY PROFESSIONAL OPINION, AS A LAND SURVEYOR LICENSED IN THE STATE OF VERMONT, THE MAXIMUM RELATIVE POSITIONAL ACCURACY IS 0.03'. I FURTHER CERTIFY THAT THIS MAP OR PLAT MEETS ALL THE REQUIREMENTS OF TITLE 27 V.S.A., SECTION 1403.

DATE: ______________________

____

RICHARD W. BELL L.S. #638

STATE OF VERMONT RICHARD W. BELL NO. 638 LICENSED LAND SURVEYOR

ADOPTED BY THE AMERICAN LAND TITLE ASSOCIATION ON OCTOBER 5, 2005.

ADOPTED BY THE BOARD OF DIRECTORS, NATIONAL SOCIETY OF PROFESSIONAL SURVEYORS ON OCTOBER 24, 2005.

AMERICAN LAND TITLE ASSOCIATION, 1828 L STREET, N.W., SUITE 705, WASHINGTON, D.C. 20036

NATIONAL SOCIETY OF PROFESSIONAL SURVEYORS, INC. 6 MONTGOMERY VILLAGE AVENUE, SUITE 403 GAITHERSBURG, MARYLAND 20879

LOT DESCRIPTION

BEING A PARCEL OF LAND SITUATED ON THE NORTHERLY SIDE OF BARRE STREET IN THE CITY OF MONTPELIER, COUNTY OF WASHINGTON AND THE STATE OF VERMONT AND BEING FURTHER DESCRIBED AS FOLLOWS;

BEGINNING AT A RAIL-ROAD-SPIKE SET ON THE NORTHERLY SIDE OF BARRE STREET RIGHT-OF-WAY, SAID SPIKE BEING THE SOUTHEAST CORNER OF LANDS NOW OWNED BY THE ROMAN CATHOLIC DIOCESE OF BURLINGTON AND THE SOUTHWEST CORNER OF THE LANDS HEREIN DESCRIBED, THENCE;

RUNNING NORTHERLY ALONG LANDS OF SAID ROMAN CATHOLIC DIOCESE OF BURLINGTON AND LANDS OF CHRISTIAN PETRIE N 62°59'45" E, 344.06 FEET TO AN IRON ROD SET AT THE NORTHEASTERLY CORNER OF LANDS OF SAID CHRISTIAN PETRIE, THE SOUTHEASTERLY CORNER OF LANDS OF SUSAN WALBRIDGE AND THE SOUTHWESTERLY CORNER OF LANDS OF TILTED T PROPERTIES, LLC. THENCE;

TURNING AND RUNNING EASTERLY ALONG THE SOUTHERLY LINE OF LANDS OF TILTED T PROPERTIES, LLC S 25°15'04 E", 55.00 FEET TO AN IRON ROD FOUND AT THE SOUTHEASTERLY CORNER OF LANDS BELONGING TO TILTED T PROPERTIES, LLC. THENCE;

TURNING AND RUNNING NORTHERLY ALONG THE EASTERLY LINE OF LANDS OF TILTED T PROPERTIES, LLC. N 64°26'48" TO AN IRON ROD SET AT THE SOUTHERN RIGHT-OF-WAY OF WILDER STREET. THENCE;

TURNING AND RUNNING EASTERLY ALONG THE SOUTHERN RIGHT-OF-WAY OF WILDER STREET S 23°58'14" E, 20.08 FEET TO AN IRON ROD SET AT THE NORTHWESTERLY CORNER OF LANDS OF CHARLES E. STANDER. THENCE;

TURNING AND RUNNING SOUTHERLY ALONG THE WESTERLY LINE OF LANDS OF CHARLES E. STANDER S 66°09'51" W, 115.50 FEET TO AN IRON ROD SET AT THE SOUTHWESTERLY CORNER OF LANDS OF CHARLES E. STANDER. THENCE;

TURNING AND RUNNING EASTERLY ALONG THE SOUTHERLY LINE OF LANDS OF CHARLES E. STANDER S 23°58'14" E, 66.00 FEET TO THE CORNER FENCE POST OF A CHAINLINK FENCE ON THE WESTERLY LINE OF LANDS OF MILO M. NELSON REVOCABLE TRUST. THENCE;

TURNING AND RUNNING SOUTHERLY ALONG THE WESTERLY LINE OF LANDS OF MILO M. NELSON REVOCABLE TRUST, STEPHEN AND SIDNEY COLLIER, WILLIAM H. MAYO AND KATHERINE KLUTZNICK, AND WASHINGTON COUNTY MENTAL HEALTH S 64°10'56 W", 287.40 FEET TO AN IRON ROD SET AT THE NORTHERLY RIGHT-OF-WAY OF BARRE STREET. THENCE;

TURNING AND RUNNING WESTERLY ALONG THE NORTHERLY RIGHT-OF-WAY OF SAID BARRE STREET N 27°37'46" W, 130.28 FEET TO THE PLACE OF BEGINNING.

MEANING AND INTENDING TO DESCRIBE A PARCEL OF LAND CONTAINING 1.00 ACRES.

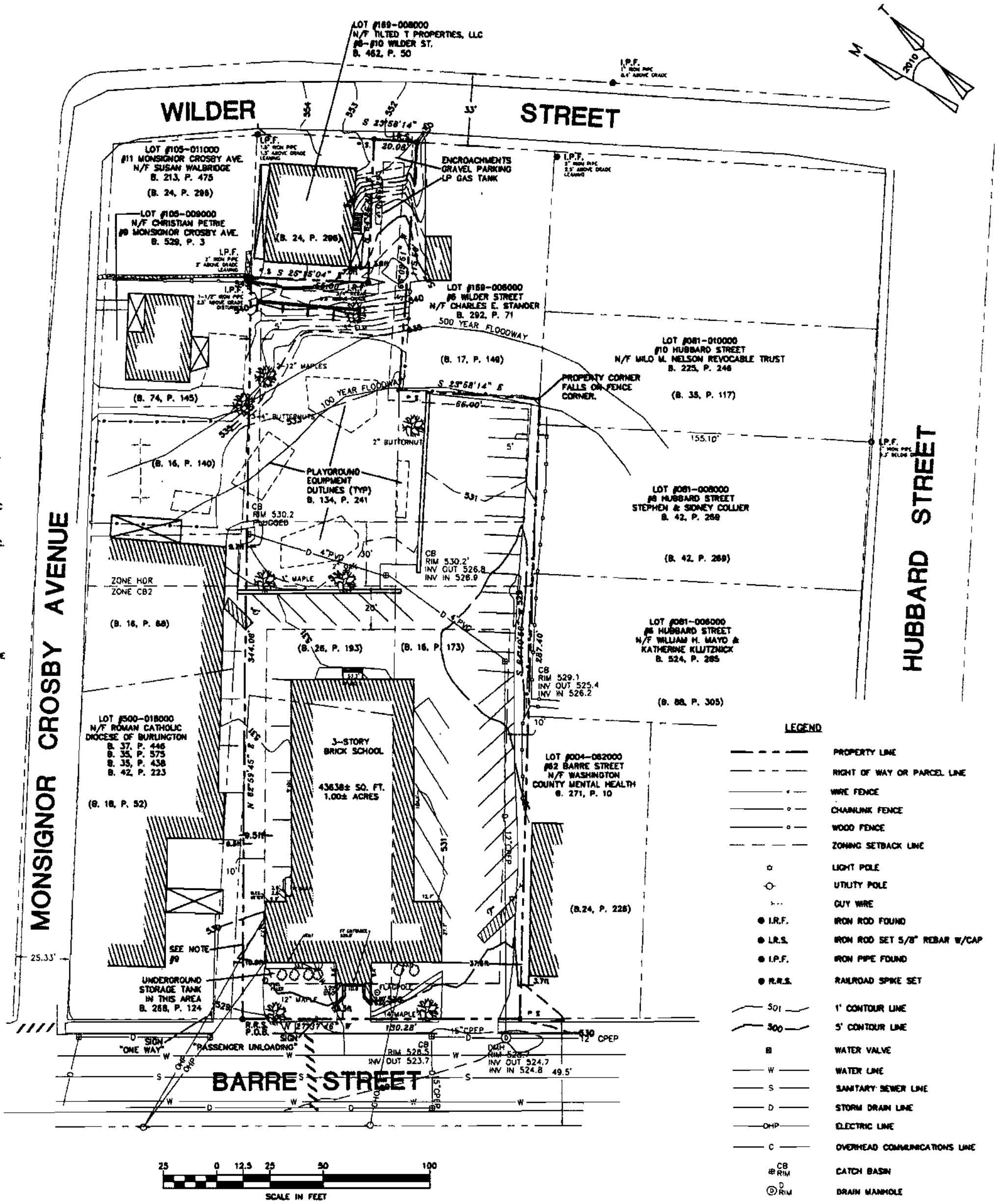
EASEMENTS OF RECORD

1. B. 133, P. 123, "THE GRANTOR AND THE GRANTEE AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS SHALL USE IN COMMON THE DRIVEWAY RUNNING BETWEEN ST. MICHAELS HIGH SCHOOL BUILDING AND THE CONVENT AND GRADED SCHOOL BUILDING OF THE GRANTOR AND SHALL SHARE EQUALLY IN THE NECESSARY COST OF MAINTENANCE OF SAID DRIVEWAY."
2. B. 134, P. 241, LEASED TO THE ROMAN CATHOLIC DIOCESE OF BURLINGTON FROM THE CITY OF MONTPELIER, "THE PLAYGROUND, SO-CALLED, LOCATED NORTHERLY OF THE BUILDING, FORMERLY KNOWN AS ST. MICHAEL'S HIGH SCHOOL,""THE CITY GRANTS TO THE DIOCESE THE RIGHT TO USE IN COMMON WITH THE CITY THE ABOVE DESCRIBED PLAYGROUND," FOR " AS LONG AS THE MONSIGNOR CROSBY AVENUE SCHOOL IS USED BY THE DIOCESE FOR EDUCATION PURPOSES."

REFERENCES

1. PLAN ENTITLED "WILDER STREET, CITY OF MONTPELIER," DATED MAY 1961, AND FILED AS PLAN BB 24 IN THE CITY OF MONTPELIERS ENGINEERS OFFICE.
2. PLAN ENTITLED "FULLERTON AVENUE, CITY OF MONTPELIER," DATED NOVEMBER 1961, AND FILED AS PLAN BB 32 IN THE CITY OF MONTPELIER LAND RECORDS.
3. PLAN ENTITLED "PLAN SHOWING RELOCATION OF HUBBARD STREET AS ESTABLISHED BY THE CITY COUNCIL," DATED JUNE 1901 AND FILED AS PLAN OF 30 IN THE CITY OF MONTPELIER LAND RECORDS.
4. WARRANTY DEED OF THE ROMAN CATHOLIC DIOCESE OF BURLINGTON TO THE CITY OF MONTPELIER, DATED OCTOBER 6, 1972 AND RECORDED IN BOOK 133, PAGE 123 OF THE CITY OF MONTPELIER LAND RECORDS.
5. WARRANTY DEED OF PERLEY J. AND IDA O. JEROME, TO FRED A. GRAY, DATED JULY 29, 1909 AND RECORDED IN BOOK 26, PAGE 193 OF THE CITY OF MONTPELIER LAND RECORDS.
6. WARRANTY DEED OF KATE D. WATSON TO GEORGE L. BLANCHARD, DATED APRIL 6, 1897 AND RECORDED IN BOOK 17, PAGE 149 OF THE CITY OF MONTPELIER LAND RECORDS.
7. WARRANTY DEED OF EUMLINE AND LUTHER TABOR, AVIS AND LUTHER CREE, AND CLARENCE PUTNAM TO KATE WATSON, DATED JANUARY 11, 1895 AND RECORDED IN BOOK 16, PAGE 173 OF THE CITY OF MONTPELIER LAND RECORDS.

I CERTIFY THAT THIS PLAT IS AN ORIGINAL INK ON MYLAR DRAWING. RICHARD W. BELL L.S.



LOCATION MAP

NOTES

1. TOTAL SITE AREA: 1 ACRE OR 43638 SQ. FT.
2. PRESENT ZONING IS CB2(FRONT) AND HDR(REAR)

   CB2 MINIMUM LOT REQUIREMENTS:
   LOT AREA- 10,000 sq. ft.
   LOT FRONTAGE- 75 ft.
   MINIMUM YARD SETBACKS:
   FRONT- TO MATCH BUILDING LINE OF OLDER ADJACENT BUILDINGS AND AT LEAST 10'
   SIDE- 10'
   REAR- 20'
   MAXIMUM BUILDING COVERAGE- 50%
   MAXIMUM HEIGHT- 3 STORIES OR 45 ft.

   HDR MINIMUM LOT REQUIREMENTS:
   LOT AREA- 8,700 sq. ft.
   LOT FRONTAGE- 40 ft.
   MINIMUM YARD SETBACKS:
   FRONT- 10'
   SIDE- 5'
   REAR- 30'
   MAXIMUM BUILDING COVERAGE- 50%
   MAXIMUM HEIGHT- 3 STORIES OR 45 ft.

3. CURRENT OWNERS OF RECORD:

   CITY OF MONTPELIER
   39 MAIN STREET
   CITY HALL
   MONTPELIER, VERMONT
   BOOK 133, PAGE 123

4. SAID DESCRIBED PROPERTY IS LOCATED WITHIN AN AREA HAVING A ZONE DESIGNATION OF A10, B, AND C BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT, BY FLOOD INSURANCE RATE MAP NO. 0002 WITH A DATE OF IDENTIFICATION OF FEBRUARY 17, 1982, FOR COMMUNITY NO. 505518 IN WASHINGTON COUNTY, STATE OF VERMONT, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH SAID PREMISES IS SITUATED. FLOOD ELEVATION ±531.3'.
5. ALL SETBACK, SIDE YARD AND REAR YARD LINES DEPICTED ON THE RECORDED PLAT OR SET FORTH IN THE APPLICABLE ZONING ORDINANCE ARE SHOWN ON THE SURVEY.
6. THE PROPERTY HAS DIRECT ACCESS TO BARRE STREET AND WILDER STREET, A DEDICATED PUBLIC STREET OR HIGHWAY.
7. THE NUMBER OF STRIPED PARKING SPACES, IF ANY, LOCATED ON THE PROPERTY IS 36 REGULAR AND 2 HANDICAP.
8. THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND PORTIONS OF SAID UTILITIES. THE SURVEYOR DOES NOT CERTIFY THAT THE UNDERGROUND PORTIONS OF SAID UTILITIES SHOWN ARE IN EXACT LOCATION AS INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE.
9. THE SUBJECT PROPERTY LINE BETWEEN THE ROMAN CATHOLIC DIOCESE AND THE SUBJECT PROPERTY WAS ESTABLISHED BY THE DESCRIPTION FOUND IN BOOK 133, PAGE 123 OF THE CITY OF MONTPELIER LAND RECORDS.

ALTA/ACSM LAND TITLE SURVEY
#58 BARRE STREET
MONTPELIER, VERMONT

PREPARED FOR:

CITY OF MONTPELIER

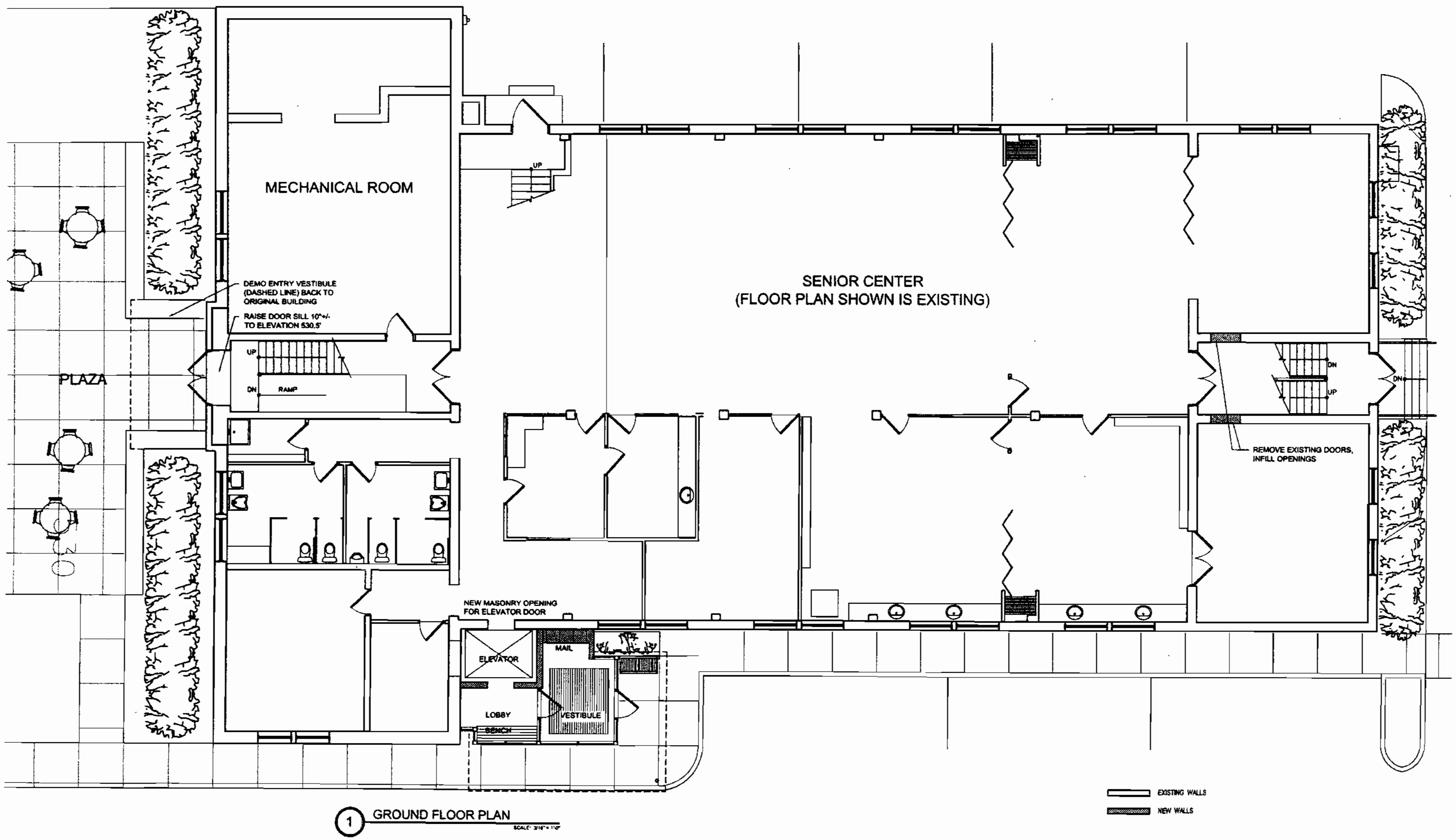
OWNED BY

CITY OF MONTPELIER

NO.	DATE	REVISION	BY

SCALE: 1"=25'	
DATE: MARCH 2010	
PROJ. #10530	
DWG. # S-530	
SURVEYED BY: RWB	
DRAWN BY: RWB	
COMPUTED BY: RWB	
SHEET 1 OF 1	

RICHARD W. BELL LAND SURVEYING, INC.
297 SOUTH MAIN ST.
BARRE, VERMONT 05641
EMAIL RBELLLS@CHARTERINTERNET.COM
802-479-9262 C 802-793-3037



gossens.bachman.Architects
85 granite shed lane
montpelier, vt 05602
802.229.1664
802.229.4672 FAX
www.gbarchitecture.com

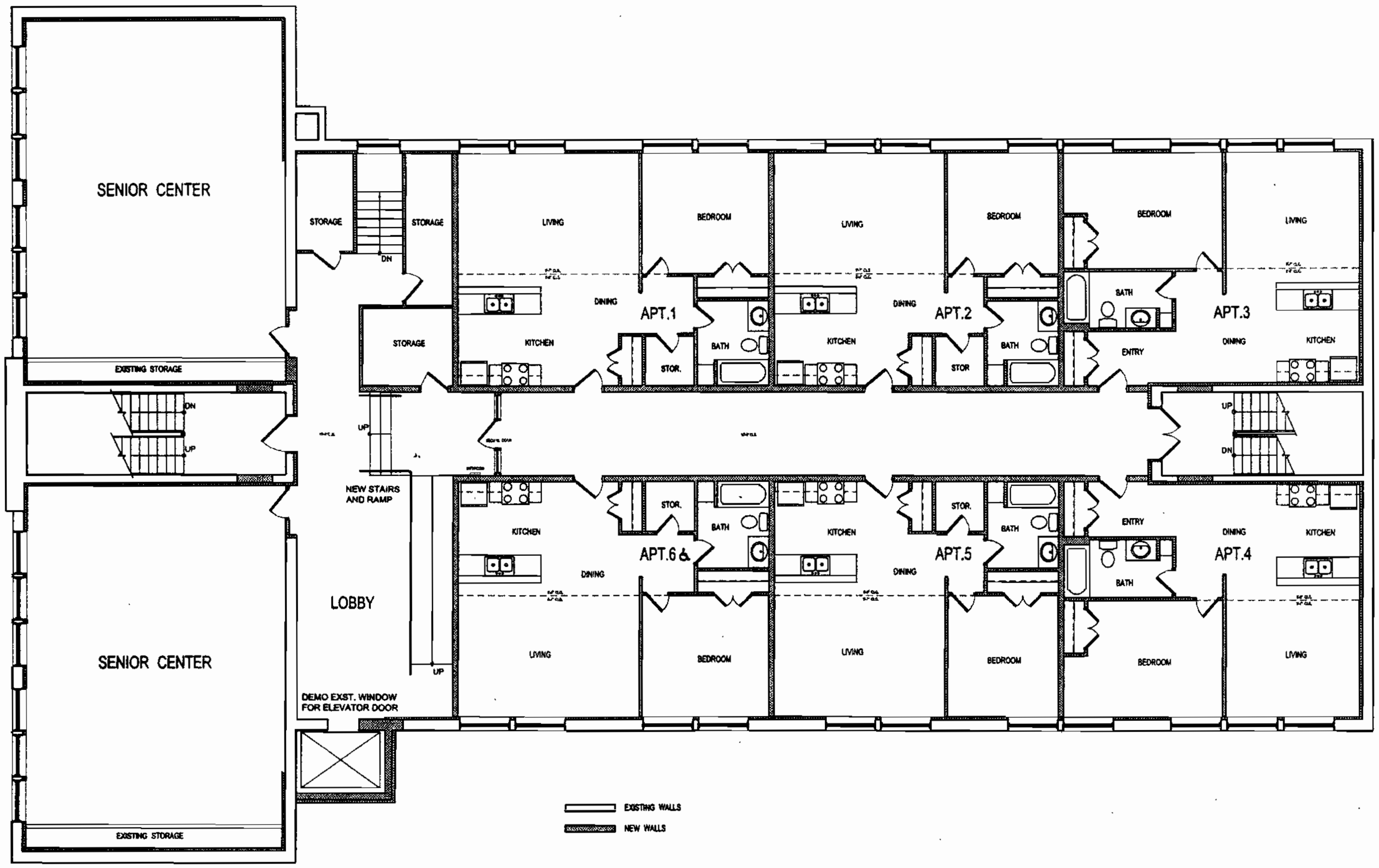
58 BARRE STREET
City of Montpelier
Montpelier, VT

Revisions:

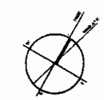
Job Number:	0808-56
File Name:	58 Barre1.dwg
Scale:	AS NOTED
Date:	JUNE 8, 2010

PROPOSED GROUND FLOOR PLAN

A1.1



1 FIRST FLOOR PLAN



gossens bachman Architects
85 granite shed lane
montpelier, vt 05602
802.229.1664
802.229.4822 FAX
www.gbarchitecture.com

58 BARRE STREET

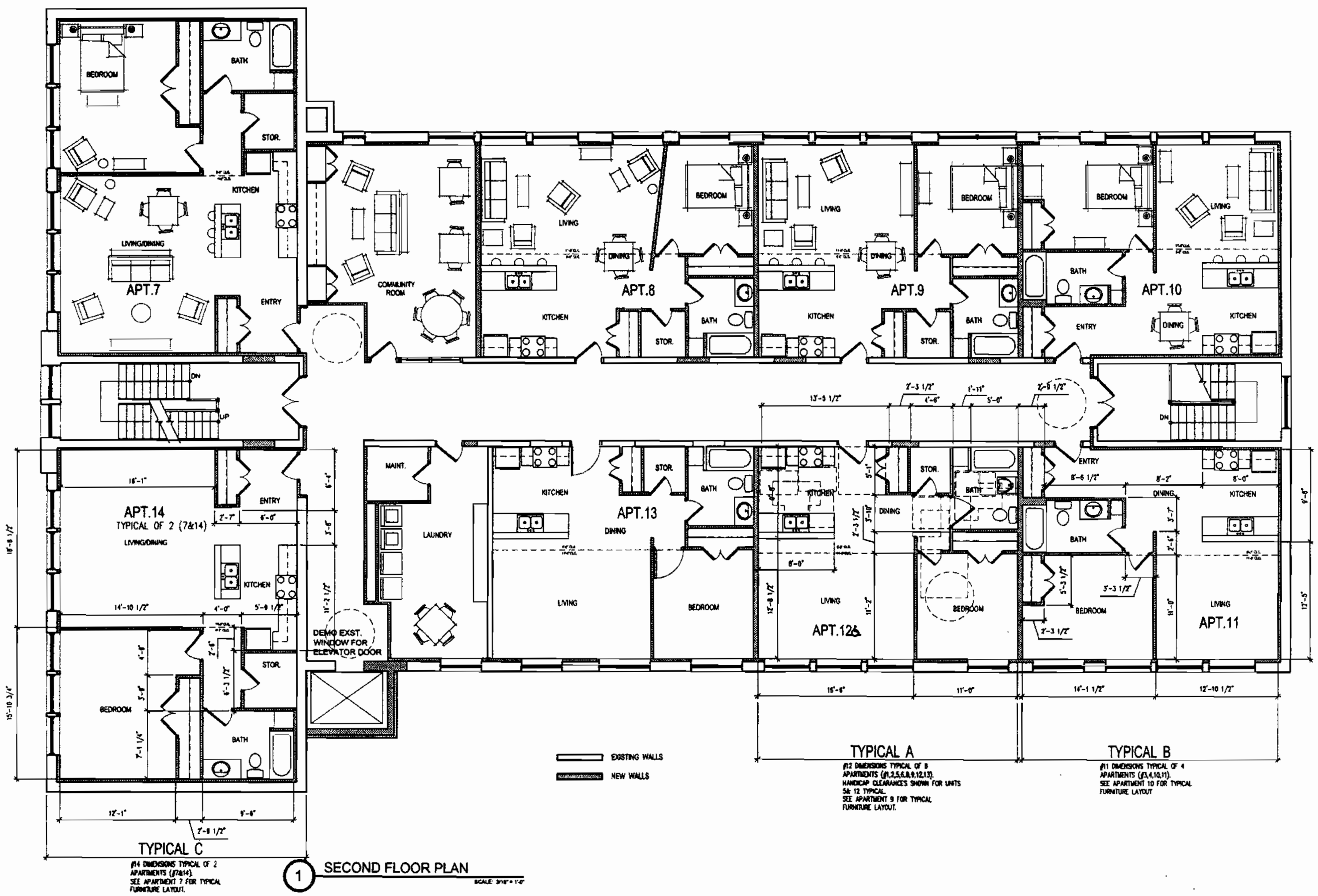
City of Montpelier
Montpelier, VT

Revisions:

Job Number:	0606-55
File Name:	58 Barre1.dwg
Scale:	AS NOTED
Date:	JUNE 8, 2010

PROPOSED FIRST FLOOR PLAN

A1.2



gbA
gossens bachman Architects
85 granite shed lane
montpelier, vt 05602
802.229.1664
802.229.4822 FAX
www.gbarchitecture.com

58 BARRE STREET

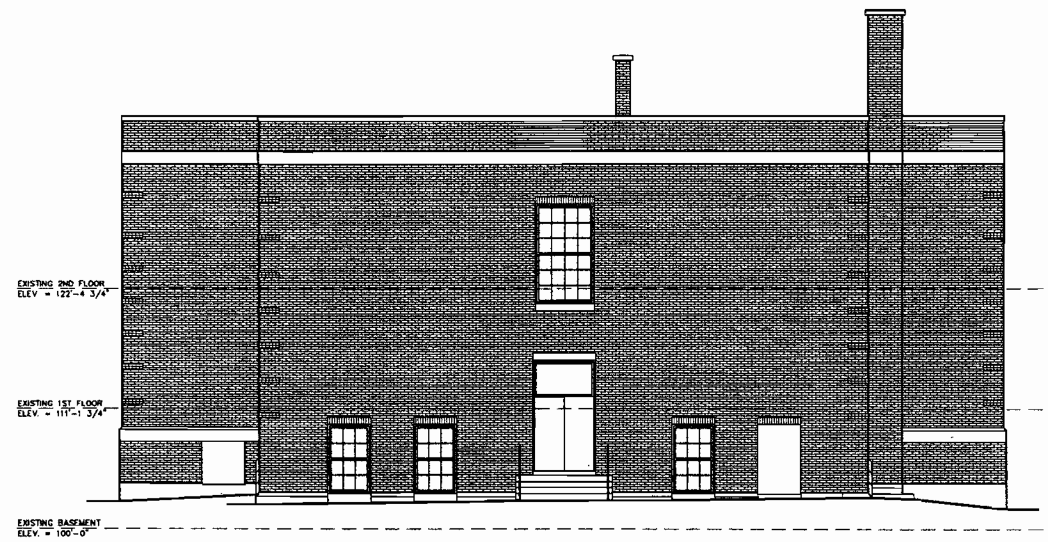
City of Montpelier
Montpelier, VT

Revisions:

Job Number:	0808-55
File Name:	58 Barre1.dwg
Scale:	AS NOTED
Date:	JUNE 8, 2010

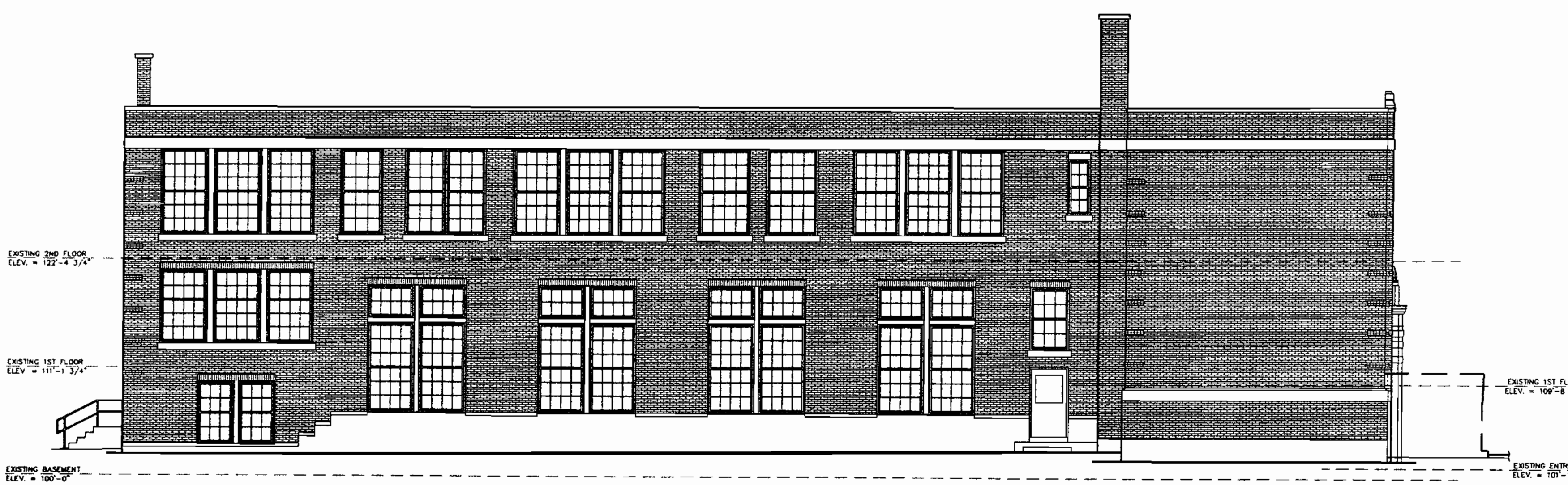
PROPOSED SECOND FLOOR PLAN & TYPICAL APARTMENTS

A1.3



1 EAST ELEVATION

SCALE: 3/16" = 1'-0"



2 SOUTH ELEVATION

SCALE: 3/16" = 1'-0"

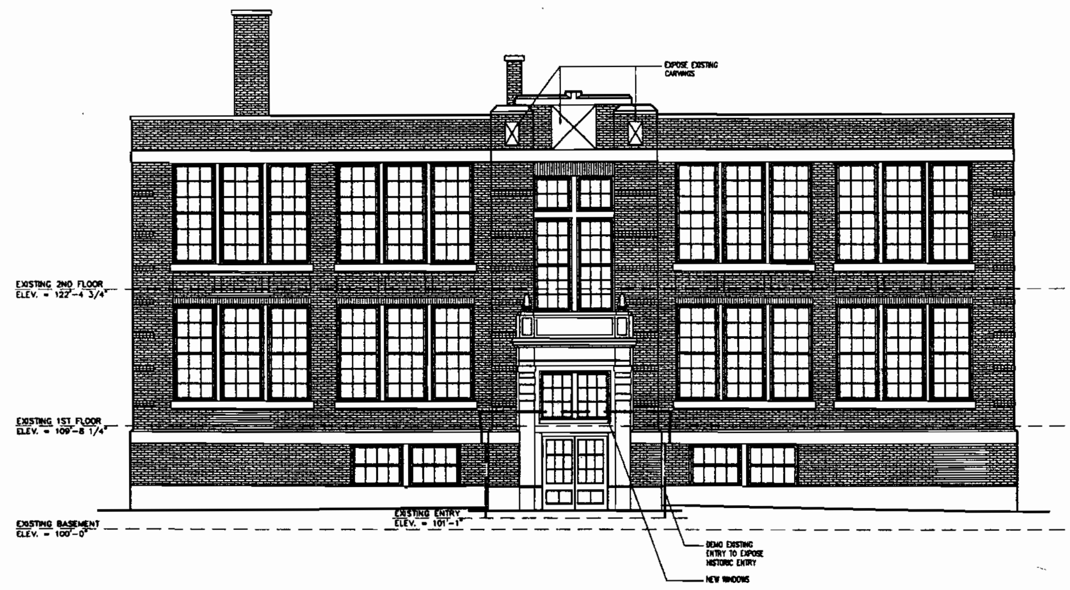
gbA
gossens bachman Architects
85 granite shed lane
montpelier, vt 05602
802.229.1664
802.229.4622 FAX
www.gbarchitectsinc.com

58 BARRE STREET
City of Montpelier
Montpelier, VT

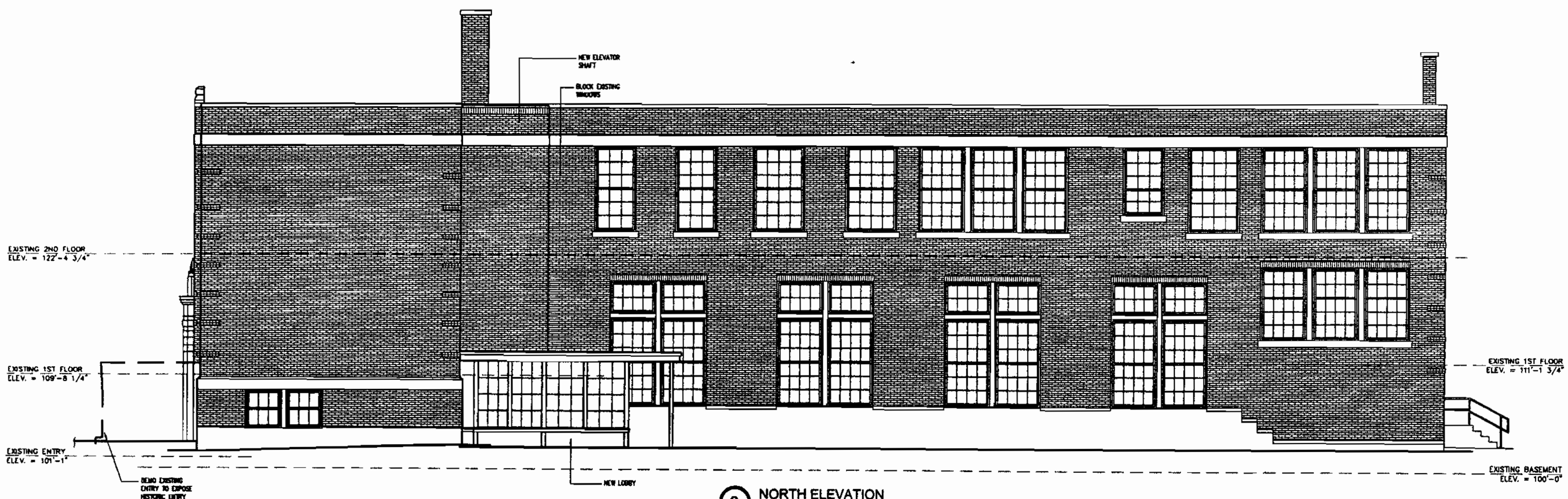
Revisions:	
Job Number:	0806-55
File Name:	58 Barre1.dwg
Scale:	AS NOTED
Date:	JUNE 8, 2010

ELEVATIONS

A2.2



1 BARRE STREET ELEVATION (WEST)



2 NORTH ELEVATION

gbA
gossens bachman Architects
85 granite shed lane
montpelier, vt 05602
802.229.1664
802.229.4522 FAX
www.gbaarchitecture.com

58 BARRE STREET
City of Montpelier
Montpelier, VT

Revisions:	
Job Number:	0806-55
File Name:	58 Barre1.dwg
Scale:	AS NOTED
Date:	JUNE 8, 2010

PROPOSED ELEVATIONS

A2.1

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Joshua Slade, Development Underwriter

DATE: August 30, 2010

RE: Request for Allocated Housing Credits: Village at Leddy Park, Burlington

Name:	Village at Leddy Park	**Location:**	Burlington
Housing Type:	Senior	**Unit Type:**	Flats
Unit Count:	25 Units 21 LIHTC	**Unit Sizes:**	21 1-BR @ 610 s.f.
Total Cost:	$5,491,095	**Per S.F. Acquisition & Construction Cost:**	$160/s.f.
Credits Requested:	$500,000 9% Credits	**Sponsor:**	Cathedral Square Corporation
Other Funding: NSP, City Housing trust, Efficiency Vermont, VHCB, HUD EDI and Deferred Development Fee			

Summary of Request: Cathedral Square Corporation (CSC) is requesting $500,000 in 9% Housing Credits to construct 25 units of service enriched senior housing in Burlington. This is a revised request from that made in June 2010.

Project Background: In June 2010 the VHFA Board of Commissioners approved allocating $500,000 to Cathedral Square Corporation (CSC) to construct 38 units of service enriched senior housing in Burlington. A condition of that award was that CSC obtain HUD 202 funds with rental assistance. Unfortunately the HUD 202 funds were awarded to a NH project with CSC's proposal scoring a close second, so CSC has revised their development plan and is submitting a request to reflect those revisions.

The redevelopment of this site was made possible through the rezoning of the area as "Neighborhood Activity Center District." This distinction recognizes that large cities are fully (or nearly fully) developed in their centers and often have a "second downtown" such as the New North End. In order to encourage the development of a walkable livable city, land use planners are promoting appropriate development of the "second downtown." Staff recommends the Board treat this distinction as a designated downtown or village center as identified in the Qualified Allocation Plan. The site is immediately adjacent to a grocery store, pharmacy, medical offices, bank, hardware store, Leddy Park and the bike path.

The project is now planned for two phases. This first phase includes one wing of the building (25 units) as well as the common area and site work for the entire project using 9% credits and other sources listed above. This phasing will allow for the first units to be constructed in the Spring 2011 with Phase II to be built using the 4% tax credit as soon as a HUD 202 award is received. (The next RFP for HUD 202 is this fall and CSC

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

EQUAL HOUSING OPPORTUNITY

expects a positive outcome based on comments from the last round.) All of the sources required for Phase I have been secured.

The overall structure of this project remains unchanged. The unit split between the two phases is now equal whereas it was previously larger for the first phase. This results in a higher credit per unit ratio; however, as a project whole the per unit credit amount is low at $10,000/unit. CSC plans to include all of the common area and site work costs in this phase which will lower costs for the second phase. This allows CSC to leverage federal funds like HUD 202 while keeping the project viable.

Local permits and some state permits are required. The sponsor anticipates having all necessary permit approvals by October 2010. Jeffrey Kantor is the development consultant and is working on placing the tax credit equity.

Construction is anticipated to begin in May 2011 and be completed by October 2012. CSC will manage the property, and has years of experience managing senior housing.

Tax Credit Discussion: The project meets three upper tier priorities: 1. Infill new construction in a community with a vacancy rate of 3.5% or less; 2. Project is in a designated downtown or close to one; 3. Project incorporates a majority of special needs populations and provides service enriched housing. The project also partially meets the removal of blight criteria as it is part of a master plan which removes a blighted structure. The project meets one lower tier priorities: 1. Universal Design. The Sponsor plans to apply for project based section 8. If they receive a commitment for this the project will meet two additional lower tier priorities: 1. Housing affordable to households at or below 30% AMI; and, 2. Project serves households on public housing waiting lists.

Recommendation: Subject to credit availability staff recommends that the VHFA Board of Commissioners pass the attached resolution and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

01-Sep-10 **Village at Leddy Park**

Total Residential Units:	25	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	21	Increase in Income from Other Sources:	1.50%
Percent Restricted:	84.00%	Increase in Income from Commercial:	0.00%
Total Development Cost:	5,491,095	Expense increase:	3.00%
Total Development Cost per Unit:	219,644	Vacancy Rate:	5.00%
Total Development Cost Per SF:	214	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	27.5 years
Max Credit Potential:	502,035	Short Depreciation Schedule:	5 years
Credit Amount requested:	**500,000**	Sponsor's Estimated Yield:	79.09%
VT State Credit			
Historic Credit	0		
LIHTC - 4%	3.31%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term	
First Mortgage AHP		0.00%	2.50%	30	16	
NSP	300,000	5.46%	0.00%	30	deferred	12,000
City Housing Trust	200,000	3.64%	0.00%	30	deferred	8,000
Efficiency VT & VT Gas	20,000	0.36%	0	0	Cap Contribution	800
VHCB	593,095	10.80%	0	30	deferred	23,724
VHCB feasiblity	10,000				Cap Contribution	400
Deferred Development Fee	115,000	2.09%	0	30	deferred	4,600
						0
HUD EDI	283,000	5.15%	0	30	deferred	11,320
Tax Credit Equity LP	3,970,000	72.30%	N/A	N/A	Equity	158,800
TOTAL SOURCES	**5,491,095**	100.00%				219,644

USES

Acquisition	155,687	2.84%
Construction Hard Costs	3,967,000	72.24%
Soft Costs	1,368,408	24.92%
TOTAL USES	**5,491,095**	
GAP	**0**	

Construction Loan	3,940,000	5.00%	73,875	9

General Partner's Capital Contribution	395	0.01%
Limited Partner's Capital Contribution	3,953,905	99.99%
Total Equity	3,954,301	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	21
Total Units	25
Unit Fraction	84.00%
Tax Credit Square Footage	12,810
Total Residential Square Footage	15,250
Square Footage Fraction	84.00%
Applicable Fraction	84.00%

01-Sep-10 **Village at Leddy Park**

#	Item	Budget	Total Per Unit	Total Per s.f.		HUD 202	Equity	VHCB	HUD EDI	NSP	City Trust	Eff VT GP Loan
25	**Total Project**											
3,762,000	3,722,002											
	ACQUISITION											
1	Land	144,000	5,760	5.61							144,000	
2	Building		0	0.00								
3	Demolition (without replacement)		0	0.00								
4	Property Appraisal	3,500	140	0.14				3,500				
5	Legal - Title and Recording	8,187	327	0.32				8,187				
,691,500	Subtotal - Acquisition	**155,687**	6,227	6.06								
	CONSTRUCTION HARD COSTS											
6	New Construction (includes all road and common space)	3,722,000	148,880	144.98	4,132,500		2,981,592	331,408	283,000	50,000	56,000	20,000
7	Energy upgrades	40,000	1,600	1.56			40,000					
8	Kitchen		0	0.00								
9	Sitework		0	0.00								
10	Commercial Space Costs (if any)		0	0.00								
11	General Requirements		0	0.00								
12			0	0.00								
13	Contractor Profit		0	0.00								
14	Construction Contingency	175,000	7,000	6.82			175,000					
15	Construction Management		0	0.00								
16	Construction Bond Fee		0	0.00								
17	Hazardous Materials Abatement		0	0.00								
18	Off-Site Improvements		0	0.00								
19	Furnishings, Fixtures, & Equipment	30,000	1,200	1.17			30,000					
20			0	0.00								
	Subtotal - Hard Costs	**3,967,000**	158,680	154.53								
	SOFT COSTS											
21	Architect	250,000	10,000							250,000		
22	Survey	3,750	150	0.15			3,750					
23	Legal/Accounting	29,000	1,160	1.13			19,000	10,000				
24	owners representatve/ Clerk	40,000	1,600	1.56			30,000	10,000				
25	Environmental Assessment	1,250	50	0.05			1,250					
26	Civil Engineering	20,000	800	0.78			10,000	10,000				
27	Permits/Fees	62,500	2,500	2.43			32,500	20,000				10,000
28	Archeology	5,000	200	0.19			5,000					
29	Compaction/Testing/soils	9,000	360	0.35			9,000					
30	Independent Market Study	3,800	152	0.15			3,800					
31	Construction Period Insurance	24,000	960	0.93			14,000	10,000				
32	Construction Interest	75,000	3,000	2.92			75,000					
33	Loan Origination Fee	3,000	120	0.12			3,000					
34	Taxes During Construction	0	0	0.00			0					
35	Inspection Fee	5,000	200	0.19			5,000					
36	Marketing	5,000	200	0.19			5,000					
37	Tax Credit Fees	20,000	800	0.78			0	20,000				
38	Soft Cost Contingency	10,000	400	0.39			10,000					
39	Lender's Council Fee	2,108	84	0.08			2,108					
40			0	0.00			0					
41			0	0.00								
42	Cost Cert IRS & HUD	6,000	240	0.23			6,000					
43	Capital Needs Assessment	2,500	100	0.10			2,500					
	SYNDICATION COSTS											
44	Organizational (Partnership)	1,500	60	0.06			1,500					
45	Bridge Loan Fees and Expenses	60,000	2,400	2.34			60,000					
46	Syndication Consultant	2,500	100	0.10			2,500					
47	Tax Opinion	0	0	0.00			0					
	DEVELOPER'S FEES											
48	Developer's Fees	388,000	15,520	15.11			238,000	150,000				
49	Deferred Development Fee	115,000										115,000
50	Consultant Fees	65,500	2,620	2.55			45,500	20,000				
	RESERVES											
51	Working Capital		0	0.00								
52	Rent-up (Deficit Escrow) Reserve	25,000	1,000	0.97			25,000					
53	Operating Reserves	34,000	1,360	1.32			34,000					
54	Sinking Fund (services	100,000	4,000	3.90			100,000					
55	Replacement Reserves		0	0.00								
	Subtotal - Soft Costs	**1,368,408**	54,736	53.30								
	TOTAL DEVELOPMENT COSTS	**5,491,095**	219,644	213.89		0	3,970,000	593,095	283,000	300,000	200,000	145,000

26,667

		Itemized Cost	Acquisition Basis	Construction Basis	Residential Depreciation	
	ACQUISITION					
1	Land	144,000				
2	Building	0			0	
3	Demolition (without replacement)	0				
4	Property Appraisal	3,500	3,500			
5	Legal - Title and Recording	8,187	8,187			
	Subtotal - Acquisition	155,687				
	CONSTRUCTION HARD COSTS					
6	New Construction (includes all road and comn	3,722,000		3,722,000	3,722,000	
7	Energy upgrades	40,000		40,000	40,000	
8	Kitchen	0				
9	Sitework	0		0	0	
10	Commercial Space Costs (if any)	0				
11	General Requirements	0		0	0	
12	0	0		0	0	
13	Contractor Profit	0		0	0	
14	Construction Contingency	175,000		175,000	175,000	
15	Survey	0		0	0	
16	Architectural/Engineering	0		0	0	
17	Hazardous Materials Abatement	0		0	0	
18	Off-Site Improvements	0		0	0	
19	Furnishings, Fixtures, & Equipment	30,000		30,000	30,000	
20	0	0		0	0	
	Subtotal - Hard Costs	3,967,000				
	SOFT COSTS					
21	Architect	250,000		250,000	250,000	
22	Survey	3,750		3,750	3,750	
23	Legal/Accounting	29,000		29,000	29,000	
24	owners representatve/ Clerk	50,000		50,000	50,000	
25	Environmental Assessment	1,250		1,250	1,250	
26	Civil Engineering	30,000		30,000	30,000	
27	Permits/Fees	62,500		62,500	62,500	
28	Archeology	5,000		5,000	5,000	
29	Compaction/Testing	9,000		9,000	9,000	
30	Independent Market Study	3,800		3,800	3,800	
31	Construction Period Insurance	24,000		24,000	24,000	
32	Construction Interest	75,000		75,000	75,000	
33	Loan Origination Fee	3,000		3,000	3,000	
34	Taxes During Construction	0		0	0	
35	Inspection Fee	5,000		5,000	5,000	
36	Marketing	5,000				
37	Tax Credit Fees	20,000				
38	Soft Cost Contingency	10,000		10,000	10,000	
39	Lender's Council Fee	2,108		2,108	2,108	
40	0	0				
41	0	0				
42	Cost Cert IRS & HUD	6,000		6,000	6,000	
43	Capital Needs Assessment	2,500				
	SYNDICATION COSTS					
44	Organizational (Partnership)	1,500				
45	Bridge Loan Fees and Expenses	60,000				
46	Syndication Consultant	2,500				
47	Tax Opinion	0				
	DEVELOPER'S FEES					
48	Developer's Fees	388,000		388,000	388,000	
49	deferred fee	115,000		115,000	115,000	
50	Consultant Fees	65,500		65,500	65,500	
	RESERVES					
51	Working Capital	0				
52	Rent-up (Deficit Escrow) Reserve	25,000				
53	Operating Reserves	34,000				
54	Sinking Fund (services	100,000				
55	Replacement Reserves	0				
	Subtotal - Soft Costs	1,368,408				
	TOTALS	5,491,095	11,687	5,104,908	5,074,908	
	LESS: Amount of Non-qualified Financing					
	LESS: Adjustment for per unit cost limits	100.00%		0		
	LESS: Historic tax Credit (Residential Portion)			0	0	
	Total Eligible Basis		11,687	5,104,908		
	TIMES: Adj for QCT/DDA; Special Construction	130.00%		6,636,380		
	TIMES: Applicable Fraction	84.00%	9,817	5,574,560		
	Total Qualified Basis		9,817	5,574,560	4,844,908	Long Term Depreciable Basis
	TIMES: Applicable Percentage		3.31%	9.00%	27.5	Depreciation Schedule
	Total Annual Credit Qualified		325	501,710	176,178	Annual Depreciation
	Total Tax Credits Requested	502,035		502,035	30,000	Short Term Depreciable Basis
	Estimated Net Syndication Proceeds **(excluding historic credit equity)**	3,970,000			5	Depreciation Schedule
	Estimated Yield - Housing Credit Syndication	79.09%			6,000	Annual Depreciation
	Equity Gap	0				
	Credits Needed to fill Equity Gap	0			200,000	mid term depreciation basis
					15	depreciation schedule
					13,333	annual depreciation

01-Sep-10 **Village at Leddy Park**

HC UNITS

Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br	HUD sect 8	610	7	625		52,500
2 Br	No RA	880		850		0
1 br	No RA	610	14	760		127,680
1 Br	Manager	610		0		0
						0
						0
						0
					0	0
Common & Utility Space		4,422				
Common Circulation area		6,000				
	Totals	23,232	21	15,092		180,180

NON HC UNITS

Bedrooms	Type	Square Feet	Number	Rent	Utilities	Annual Rent
0 Br					0	0
1 Br		610	4	900	0	43,200
2 Br		880		1,050	0	0
2 Br						
3 Br					0	0
4 Br					0	0
		2,440			0	0
(25,672)	Totals	**25,672**	4			43,200

37,532	Total Units	25	**TOTAL All Units**	223,380
	Less Vacancy	5.00%		(11,169)
			NET RENT	212,211

OTHER INCOME

Laundry	250	3,000
Interest		300
Commercial Space Income		
Other		0

tax credit SF

TOTAL INCOME 215,511

01-Sep-10 **Village at Leddy Park**

		Check all Applicable								A					B						C					
															OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	# of Br	Sq Ft	Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	1-7				7	7	x	x		1	610	625	0	625		7						7				
1	8-20				14	14	x	x		1	610	760	0	760			14						14			
1	21-25					4	x	x		1	610	900	0	900					4						4	
Total # Units	25	0	0		21	25	25	25		Totals:		180,180		Total # Units:	0	7	14		4			7	14		4	0

form revision date: 2/27/97

01-Sep-10

25		Monthly	Per Unit Per Month	
Administration				
Management Fee	16,200	1,350	54	
Support Services	See CF page		0	
Audit/Accounting	8,000	667	27	
Legal	500	42	2	
Compliance Monitoring	864	72	3	
Marketing	500	42	2	(leave(4,400 1
On site Management	20,000	1,667	67	
TOTAL ADMINISTRATIVE	46,064	3,839	154	
Utilities				
Electricity	16,500	1,375	55	
Fuel	14,700	1,225	49	
Water and Sewer	6,000	500	20	
Fire Alarm / Emergency	3,000	250	10	
Other		0	0	
TOTAL UTILITIES	40,200	3,350	134	
Maintenance				
Maintenance / Janitor Payroll	15,000	1,250	50	
Janitor supplies	900	75	3	
Exterminating	1,200	100	4	
Trash Removal	3,600	300	12	
Snow Removal	4,000	333	13	
Grounds	4,000	333	13	
Repairs Material	2,000	167	7	
Repairs Contract	2,000	167	7	
HVAC Repairs / Maintenance	3,000	250	10	
Elevator Contract / Repairs	4,000	333	13	
Painting and Decorating	500	42	2	
Other	1,000	83	3	
TOTAL MAINTENANCE	41,200	3,433	137	per unit montl excl. ds & res 520
Real Estate Taxes	19,500	1,625	65	
Property Insurance	9,000	750	30	
Replacement Reserves	17,400	1,450	58	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other	0	0	0	
Total	173,364	14,447	578	
	43,341			

form revision date: 2/27/97

-Sep-10 **Village at Leddy Park**

Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		223,380	226,731	230,132	233,584	237,087	240,644	244,253	247,917	251,636	255,410	259,242	263,130	267,077	271,083	275,150
Other Income		3,300	3,350	3,400	3,451	3,502	3,555	3,608	3,662	3,717	3,773	3,830	3,887	3,946	4,005	4,065
Vacancy and other losses		(11,169)	(11,337)	(11,507)	(11,679)	(11,854)	(12,032)	(12,213)	(12,396)	(12,582)	(12,771)	(12,962)	(13,157)	(13,354)	(13,554)	(13,757)
Total Operating Income		215,511	218,744	222,025	225,355	228,736	232,167	235,649	239,184	242,772	246,413	250,109	253,861	257,669	261,534	265,457
Operating Expenses																
Total Expenses (excl. Reserves)		155,964	160,643	165,462	170,426	175,539	180,805	186,229	191,816	197,571	203,498	209,603	215,891	222,367	229,038	235,910
Reserves		17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400
Sub-Total Operating Expense		173,364	178,043	182,862	187,826	192,939	198,205	203,629	209,216	214,971	220,898	227,003	233,291	239,767	246,438	253,310
GP services fee		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Operating Expense		175,364	180,043	184,862	189,826	194,939	200,205	205,629	211,216	216,971	222,898	229,003	235,291	241,767	248,438	255,310
Net Operating Income		40,147	38,701	37,163	35,529	33,797	31,962	30,020	27,968	25,801	23,515	21,107	18,570	15,901	13,096	10,147
Less Services		37,147	35,701	34,163	32,529	30,797	28,962	27,020	24,968	22,801	20,515	18,107	15,570	12,901	10,096	7,147
Less Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Net Cash		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
DCR																
Cumulative Cash Flow																
Beginning Balance		34,000	37,340	40,713	44,121	47,562	51,037	54,548	58,093	61,674	65,291	68,944	72,633	76,360	80,123	83,924
Deposits		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Interest	2.0%	340	373	407	441	476	510	545	581	617	653	689	726	764	801	839
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		37,340	40,713	44,121	47,562	51,037	54,548	58,093	61,674	65,291	68,944	72,633	76,360	80,123	83,924	87,764
Cumulative Replacement Reserves																
Beginning Balance			17,574	35,150	52,901	70,830	88,939	107,228	125,700	144,357	163,201	182,233	201,455	220,870	240,478	260,283
Deposits		17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400
Interest	2.0%	174	176	351	529	708	889	1,072	1,257	1,444	1,632	1,822	2,015	2,209	2,405	2,603
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		17,574	35,150	52,901	70,830	88,939	107,228	125,700	144,357	163,201	182,233	201,455	220,870	240,478	260,283	280,286
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Plus Reserves		17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400
Less Interest Expense		(60,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation		(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)	(176,178)
Less Mid Term Depreciation		(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)	(13,333)
Less Short Depreciation		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	0	0	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(235,112)	(175,112)	(175,112)	(175,112)	(175,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)	(169,112)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		82,289	61,289	61,289	61,289	61,289	59,189	59,189	59,189	59,189	59,189	59,189	59,189	59,189	59,189	59,189
Plus Tax Credits		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0				
After Tax Cash Flow		582,289	561,289	561,289	561,289	561,289	559,189	559,189	559,189	559,189	559,189	59,189	59,189	59,189	59,189	59,189

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR VILLAGE AT LEDDY PARK, CITY OF BURLINGTON

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Cathedral Square Corporation (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the new construction of twenty-five (25) units of senior rental housing in the City of Burlington (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joshua Slade dated August 30, 2010, containing information, conditions and recommendations about the Development (the "Memorandum"); and

WHEREAS, this Resolution amends and replaces in its entirety that certain resolution of the Board of Commissioners adopted June 28, 2010 entitled "Resolution Re: Proposed Allocation of Allocated Housing Credits for Village at Leddy Park, City of Burlington";

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $500,000.00 for the Village at Leddy Park housing project in the City of Burlington, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Joshua Slade, Development Underwriter

DATE: August 30, 2010

RE: Request for Allocated Housing Credits: Thayer Commons Family Housing, Burlington

Name:	Thayer Commons Family Housing	**Location:**	Burlington
Housing Type:	General Occupancy	**Unit Type:**	Flats
Units Count:	33 Total Units 28 Housing Credit Units	**Unit Sizes:**	12 1-Br @ 675 s. f. 18 2-Br @ 950 s. f. 3 3-Br @ 1330 s.f.
Total Cost	$7,264,753	**Per Square Foot Land & Buildings Cost:**	$155
Housing Credits:	$635,000	**Sponsor:**	Champlain Housing Trust & Housing Vermont
Other Funding Sources:	VHCB, HOME, HUD EDI, NeighborWorks, Efficiency Vermont, Permanent Debt, State Tax Credits		

Summary: Thayer Commons Family Housing is part of a larger redevelopment in the commercial center of the New North End that will redevelop the State-owned DMV building and parking lot on North Avenue with a new mixed-use and mixed-income development. The master plan calls for the development of family housing to be developed by HVT/CHT, senior housing to be developed by Cathedral Square Corporation, market rate housing, and new and renovated commercial space to be developed by Eric Farrell. All four owners will use the same consultants and architects, but will finance and construct separately.

The redevelopment of this site was made possible through the rezoning of the area as "Neighborhood Activity Center District." This distinction recognizes that large cities are fully (or nearly fully) developed in their centers and often have a "second downtown" such as the New North End. In order to encourage the development of a walkable livable city, land use planners are promoting appropriate development of the "second downtown". Staff recommends the Board treat this distinction as a designated downtown or village center as identified in the Qualified Allocation Plan. The site is immediately adjacent to a grocery store, pharmacy, medical offices, bank, hardware store, Leddy Park and the bike path.

Since the Board last reviewed this project at the June 28th meeting, the Sponsors have received their City zoning permit and submitted their the Act 250 application. Act 250 approval is expected in mid-September. All financing except for the permanent debt, State Housing Credits and NeighborWorks grant are secured. Construction can begin in Spring 2011 with a completion date in early 2012.

The increase in credits requested (from $600,000 to $635,000) is the result of two financing changes. The HUD EDI grant is significantly less than expected at $150,000 instead of $500,000. Also, because the credits will be syndicated nationally, a lower estimated yield of $0.74 is expected resulting in less equity than earlier budgeted.

CHT will manage the property upon completion.

Tax Credit Summary: The project meets four upper tier and two lower tier priorities: 1. Infill new construction in communities with a vacancy rate of 3.5% or less; 2. Family housing; 3. Project is in a designated downtown or village center (it should be noted that although the site is not the downtown of Burlington it is a Neighborhood Activity Center District); and finally, 4. Project proposes the removal of blight. Also, this project is part of a larger development which will rectify the unusable state owned office building, so although it as a standalone project does not remove blight, it is part of a master development which will. The lower tier priorities are as follows: 1. Mixed Income Housing Development; and , 2. Universal Design. The Sponsors plan to apply for project based section 8. If they are awarded the subsidy, the project will meet two additional lower tier priorities: 1. Project serves households at or below 30% AMI; and, 2. Project serves households on the public housing waiting list. The market study supports the project.

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution to authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

07-Sep-10 **DMV-Leddy (The Avenue Apartments)**

Total Rental Residential Units:	33	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	28	Increase in Income from Other Sources:	1.50%
Percent Restricted:	84.85%	Increase in Income from Commercial:	0.00%
Total Rental Development Cost:	7,264,753	Expense increase:	3.00%
Total Rental Dev. Cost per Unit:	220,144	Vacancy Rate:	4.50%
Total Rental Dev. Cost Per SF:	147	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	677,545	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	635,000	Sponsor's Estimated Yield:	0.74

LIHTC - 9%	9.00%
LIHTC - 4%	3.25%

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
Bank loan	820,000	11.29%	7.25%	30	30
NSP	0	0.00%	0.00%	deferred	30
VHCB	600,000	8.26%	0.00%	deferred	30
HOME/City Burlington	500,000	6.88%	0.00%	deferred	30
HUD EDI	150,000	2.06%	0.00%	deferred	30
NeighborWorks	264,000	3.63%	0.00%	deferred	30
Efficiency VT	19,800	0.27%	0.00%	deferred	30
Burlington Housing Trust Fund	0	0.00%	0.00%	deferred	30
State tax credit equity	212,500	2.93%	N/A	N/A	N/A
LIHTC equity	4,698,453	64.67%	N/A	N/A	N/A
TOTAL SOURCES	7,264,753	100.00%			

USES

Acquisition	265,500	3.65%
Construction Hard Costs	5,434,935	74.81%
Soft Costs	1,564,318	21.53%
TOTAL USES	7,264,753	100%
Gap	0	

General Partner's Capital Contribution	47	0.001%
Limited Partner's Capital Contribution	4,697,983	99.99%
Total Equity	4,698,030	100.0%

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	28
Total Units	33
Unit Fraction	84.85%
Gross building SF	49,444
Tax Credit Square Footage	24,883
Total Residential Square Footage	29,061
Square Footage Fraction	85.62%
Applicable Fraction	84.85%

Allocation of Sources

#		Budget	Per Unit	Per s f	Bank loan	NSP	VHCB	HOME/City Burlington	HUD EDI	NeighborWorks	Efficiency VT	Burlington Housing Trust Fund	State tax credit equity	LIHTC equity	TOTAL SOURCES
	ACQUISITION				7.25%	0.00%	0 00%	0.00%	0.00%	0 00%	0.00%	0.00%	N/A	N/A	
					30	30	30	30	30	30	30	30	N/A	N/A	
1	Land	259,000	7,848	7 02	259,000										259,000
2	Purchase of Building(s)	0	0	0.00											0
3	Demolition (without replacement)	0	0	0.00											0
4	Property Appraisal	3,500	106	0.09										3,500	3,500
5	Legal - Title and Recording	3,000	91	0 08										3,000	3,000
	Acquisition/Carrying Costs	0	0	0.00										0	0
	Subtotal - Acquisition	265,500	8,045	7.20											
	CONSTRUCTION HARD COSTS														
6	Rehabilitation	0	0	0.00										0	0
7	New Building(s)	4,780,400	144,861	129 65	455,000		600,000	500,000	500,000	264,000			212,500	2,248,900	4,780,400
8	Total Homeownership Costs	0	0	0.00										0	0
9	Sitework	156,160	4,732	4.24										156,160	156,160
10	Solar DHW	57,000	1,727	1 55										57,000	57,000
11	City Road	0	0	0.00										0	0
12	Contractor Overhead	0	0	0.00										0	0
13	Contractor Profit	0	0	0.00										0	0
14	Construction Contingency	408,000	12,364	11.07										408,000	408,000
15	Construction Management	0	0	0.00										0	0
16	Construction Bond Fee	0	0	0.00										0	0
17	Hazardous Materials Abatement	0	0	0.00										0	0
18	Off-Site Improvements	0	0	0.00										0	0
19	Furnishings, Fixtures, & Equipment	33,375	1,011	0.91							19,800			13,575	33,375
20	Other (_______________)		0	0.00										0	0
	Subtotal - Hard Costs	5,434,935	164,695	147.40											
	SOFT COSTS														
21	Architectural/Eng/Consultants	382,180	11,581	10.37										382,180	382,180
22	Engineering	0	0	0.00										0	0
23	Legal/Accounting	25,000	758	0.68										25,000	25,000
24	Relocation	0	0	0.00										0	0
25	Environmental Assessment	2,250	68	0.06										2,250	2,250
26	Energy Assessment		0	0.00										0	
27	Permits/Fees	84,450	2,559	2.29										84,450	84,450
28	Independent Market Study	3,200	97	0.09										3,200	3,200
29	Construction Period Insurance	15,000	455	0.41										15,000	15,000
30	Construction Interest	155,000	4,697	4.20										155,000	155,000
31	Construction Loan Origination Fee		0	0.00										0	0
32	Taxes During Construction	5,000	152	0.14										5,000	5,000
33	Clerk of the Works		0	0.00										0	0
34	Marketing	0	0	0.00										0	0
35	Tax Credit Fees	34,000	1,030	0.92										34,000	34,000
36	Soft Cost Contingency	20,000	606	0.54										20,000	20,000
37	Permanent Loan Origination Fee	40,050	1,214	1.09										40,050	40,050
38	Lender's Counsel's Fee		0	0.00										0	0
39	Other (_____________)		0	0.00										0	0
	SYNDICATION COSTS														
40	Organizational (Partnership)	7,500	227	0.20										7,500	7,500
41	Bridge Loan Fees and Expenses		0	0.00											0
42	Syndication Consultant		0	0.00											0
43	Tax Opinion		0	0.00											0
	DEVELOPER'S FEES														
44	Developer's Fees	700,000	21,212	18.99										700,000	700,000
45	Other Partnership Fees		0	0.00											0
46	Consultant Fees	0	0	0.00										0	0
	RESERVES														
47	Working Capital		0	0.00											0
48	Rent-up (Deficit Escrow) Reserve	20,000	606	0.54										20,000	20,000
49	Other Operating Reserves	70,688	2,142	1.92										70,688	70,688
50	Sinking Fund		0	0.00										0	0
51	Replacement Reserves	0	0	0.00										0	0
	Subtotal - Soft Costs	1,564,318	47,404	42.43											
	TOTAL DEVELOPMENT COSTS	7,264,753	220,144	197.03	714,000	0	600,000	500,000	500,000	264,000	19,800	0	212,500	4,454,453	7,264,753
					106,000	0	0	0	(350,000)	0	0	0	0	244,000	7,264,753

COST BASIS FOR DEVEL FEE	6,474,065
DEVELOPER FEE	700,000
DEVELOPER FEE %	10.81%

07-Sep-10 **DMV-Leddy (The Avenue Apartments)**

#	Item	Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	Costs Incurred to Date	To be Incurred	Total
	ACQUISITION									
1	Land	259,000								
2	Purchase of Building(s)	0	0		0	0				
3	Demolition (without replacement)	0			0	0				
4	Property Appraisal	3,500	3,500		3,500	3,500				
5	Legal - Title and Recording	3,000	3,000		3,000	3,000				
	Subtotal - Acquisition	265,500								
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	0		0	0	0				
7	New Building(s)	4,780,400		4,780,400	4,780,400	4,780,400				
8	Total Homeownership Costs	0		0	0	0				
9	Sitework	156,160		156,160	156,160	156,160				
10	Solar DHW	57,000		57,000		57,000				
11	City Road	0		0	0	0				
12	Contractor Overhead	0		0	0	0				
13	Contractor Profit	0		0	0	0				
14	Construction Contingency	408,000		408,000	408,000	408,000				
15	Construction Management	0		0	0	0				
16	Construction Bond Fee	0		0	0	0				
17	Hazardous Materials Abatement	0		0	0	0				
18	Off-Site Improvements	0		0	0	0				
19	Furnishings, Fixtures, & Equipment	33,375		33,375	33,375	33,375				
20	Other (_______________)	0		0	0	0				
	Subtotal - Hard Costs	5,434,935								
	SOFT COSTS									
21	Architectural/Eng/Consultants	382,180		382,180	382,180	382,180				
22	Engineering	0		0	0	0				
23	Legal/Accounting	25,000		25,000	25,000	25,000				
24	Relocation	0		0	0	0				
25	Environmental Assessment	2,250		2,250	2,250	2,250				
26	Energy Assessment	0		0	0	0				
27	Permits/Fees	84,450		84,450	84,450	84,450				
28	Independent Market Study	3,200		0	3,200	3,200				
29	Construction Period Insurance	15,000		15,000	15,000	15,000				
30	Construction Interest	155,000		116,250	155,000	155,000				
31	Construction Loan Origination Fee	0		0	0	0				
32	Taxes During Construction	5,000		5,000	5,000	5,000				
33	Clerk of the Works	0		0	0	0				
34	Marketing	0								
35	Tax Credit Fees	34,000		0	34,000	34,000				
36	Soft Cost Contingency	20,000		20,000	20,000	20,000				
37	Permanent Loan Origination Fee	40,050		40,050						
38	Lender's Counsel's Fee	0		0	0	0				
39	Other (_______________)	0		0	0	0				
	SYNDICATION COSTS									
40	Organizational (Partnership)	7,500								
41	Bridge Loan Fees and Expenses	0								
42	Syndication Consultant	0								
43	Tax Opinion	0								
	DEVELOPER'S FEES									
44	Developer's Fees	700,000		700,000	700,000	700,000				
45	Other Partnership Fees	0		0	0	0				
46	Consultant Fees	0		0	0	0				
	RESERVES									
47	Working Capital	0								
48	Rent-up (Deficit Escrow) Reserve	20,000								
49	Other Operating Reserves	70,688								
50	Sinking Fund	0								
51	Replacement Reserves	0								
	Subtotal - Soft Costs	1,564,318								
	TOTALS	7,264,753	6,500	6,825,115	6,777,140	6,867,515				
	LESS: Amount of Non-qualified Financing									
	LESS: Historic tax Credit (Residential Portion)			0	0	20%	Historic Credit Rate			
	Total Eligible Basis		6,500	6,825,089		0	Annual Historic Credit			
	TIMES: Adjusted for QCT/DDA	130.0%		8,872,616						
	TIMES: Applicable Fraction	84.85%	5,515	7,528,280						
	Total Qualified Basis		5,515	7,528,280	6,777,140	Long Term Depreciable Basis				
	TIMES: Applicable Percentage		3.25%	9.00%	27.5	Depreciation Schedule				
	Total Annual Credit Qualified		0	677,545	246,441	Annual Depreciation				

Total Tax Credits Requested	635,000
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	4,698,453
Estimated Yield - Housing Credit Syndication	0.7399
Equity Gap	
Credits Needed to fill Equity Gap	

33,375	Short Term Depreciable Basis
7	Depreciation Schedule
4,768	Annual Depreciation

07-Sep-10 **DMV-Leddy (The Avenue Apartments)**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		670	10	820	0	98,400
2 Br		946	15	932	0	167,760
3 Br		1,331	3	963	0	34,668
	Totals	24,883	28			300,828

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		670	2	794	0	19,056
2 Br		946	3	997	0	35,892
3 Br		0	0	0	0	0
4+ Br		0	0	0	0	0
	Totals	4,178	5			54,948

Common Area Square Footage	7,810			
Grand Totals	36,871	33		355,776
	Less Vacancy	4.50%		(16,010)
			NET RENT	339,766

OTHER INCOME

Laundry	1,800
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	341,566

07-Sep-10 **DMV-Leddy (The Avenue Apartments)**

		Check all Applicable								A					B						C					
Building # [floor]	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
First	100				1	1		1		2	946	918	52	970			1						1			
	101				1	1		1		2	946	918	52	970			1						1			
	102				1	1		1		1	670	794	40	834			1						1			
	103							1	1	2	946	918	52	970					1							1
	104				1	1		1		2	946	918	52	970			1						1			
	105	1		1	1	1		1		1	670	902	40	942		1						1				
	106				1	1	1	1		2	946	918	52	970			1						1			
	107							1	1	2	946	997	52	1,049					1							1
	108	1		1	1	1		1		1	670	902	40	942		1						1				
	109				1	1		1		1	670	765	40	805			1						1			
	110				1	1	1	1		3	1,331	1,061	60	1,121			1						1			
Second	200				1	1		1		2	946	918	52	970			1						1			
	201				1	1		1		2	946	918	52	970			1						1			
	202				1	1		1		1	670	765	40	805			1						1			
	203				1	1		1		2	946	918	52	970			1						1			
	204				1	1		1		2	946	918	52	970			1						1			
	205				1	1		1		1	670	765	40	805			1						1			
	206	1		1	1	1	1	1		2	946	1,133	52	1,185		1						1				
	207							1	1	2	946	997	52	1,049					1							1
	208	1		1	1	1		1		1	670	902	40	942		1						1				
	209				1	1		1		1	670	765	40	805			1						1			
	210				1	1		1		3	1,331	1,061	60	1,121			1						1			
Third	300				1	1		1		2	946	918	52	970			1						1			
	301							1	1	2	946	997	52	1,049					1							1
	302				1	1		1		1	670	765	40	805			1						1			
	303				1	1		1		2	946	918	52	970			1						1			
	304				1	1		1		2	946	918	52	970			1						1			
	305				1	1		1		1	670	765	40	805			1						1			
	306				1	1	1	1		2	946	918	52	970			1						1			
	307				1	1		1		2	946	918	52	970			1						1			
	308	1		1	1	1		1		1	670	902	40	942		1						1				
	309							1	1	1	670	794	40	834					1							1
	310				1	1		1		3	1,331	1,061	60	1,121			1						1			
Total # Units	33	5	0	5	28	28	4	33	5	Totals:	29,061	29,945		Total # Units:	0	5	23	0	5	0	0	5	23	0	0	5
									33	57							28		33			28			33	
										common SF	7,810															
										total finish SF	36,871															
										parking	12,573															
										gross SF	49,444															

07-Sep-10 DMV-Leddy (The Avenue Apartments)

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	27,750	2,313	70	8.1%
Supportive Services	2,200	183	6	
Audit/Accounting	4,500	375	11	
Legal	2,800	233	7	
Compliance Monitoring	2,376	198	6	
Marketing	800	67	2	
Other	10,000	833	25	
TOTAL ADMINISTRATIVE	50,426	4,202	127	
Utilities				
Electricity	10,500	875	27	
Fuel - natural gas	19,100	1,592	48	
Water and Sewer	9,700	808	24	
Fire Alarm / Emergency	1,400	117	4	
Other	0	0	0	
TOTAL UTILITIES	40,700	3,392	103	
Maintenance				
Maintenance / Janitor Payroll	15,750	1,313	40	
Janitor Supplies	7,500	625	19	
Exterminating	150	13	0	
Trash Removal	6,000	500	15	
Snow Removal	7,500	625	19	
Grounds	3,500	292	9	
Repairs Material	5,000	417	13	
Repairs Contract	9,500	792	24	
HVAC Repairs / Maintenance	6,500	542	16	
Elevator Contract / Repairs	4,100	342	10	
Painting and Decorating	2,500	208	6	
Other	5,000	417	13	
TOTAL MAINTENANCE	73,000	6,083	184	
				per unit month
Real Estate Taxes	45,000	3,750	114	excl. ds & res.
Property Insurance	6,500	542	16	545
Replacement Reserves	19,800	1,650	50	
Primary Debt Service	67,126	5,594	170	
Other "must pay" debt service		0	0	
Other	0	0	0	
Total	302,552	25,213	764	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Receipts/Cumulative Cash Flow	302,552

07-Sep-10	DMV-Leddy (The Avenue Apartments)																				
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operating Income																					
Gross Rent		355,776	361,113	366,529	372,027	377,608	383,272	389,021	394,856	400,779	406,791	412,893	419,086	425,372	431,753	438,229	444,803	451,475	458,247	465,120	472,097
Other Income		1,800	1,827	1,854	1,882	1,910	1,939	1,968	1,998	2,028	2,058	2,089	2,120	2,152	2,184	2,217	2,250	2,284	2,318	2,353	2,389
Vacancy and other losses		(16,010)	(16,250)	(16,494)	(16,741)	(16,992)	(17,247)	(17,506)	(17,769)	(18,035)	(18,306)	(18,580)	(18,859)	(19,142)	(19,429)	(19,720)	(20,016)	(20,316)	(20,621)	(20,930)	(21,244)
Total Operating Income		341,566	346,690	351,890	357,168	362,526	367,964	373,483	379,085	384,772	390,543	396,401	402,347	408,383	414,508	420,726	427,037	433,442	439,944	446,543	453,241
Operating Expenses																					
Total Expenses (excl. Reserves)		215,626	222,095	228,758	235,620	242,689	249,970	257,469	265,193	273,149	281,343	289,783	298,477	307,431	316,654	326,154	335,938	346,016	356,397	367,089	378,101
Reserves		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389	24,755	25,126	25,503	25,885	26,274
Total Operating Expense		235,426	242,192	249,156	256,325	263,704	271,300	279,119	287,168	295,453	303,982	312,762	321,800	331,104	340,682	350,542	360,693	371,142	381,900	392,974	404,375
Net Operating Income		106,140	104,498	102,734	100,843	98,822	96,664	94,364	91,918	89,319	86,561	83,639	80,547	77,278	73,826	70,184	66,344	62,300	58,044	53,569	48,866
Less Primary Debt Service		67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126	67,126
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		39,014	37,372	35,608	33,717	31,696	29,538	27,238	24,792	22,192	19,435	16,513	13,421	10,152	6,700	3,057	(782)	(4,826)	(9,082)	(13,557)	(18,260)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	782	4,826	9,082	13,557	18,260
Net Cash		39,014	37,372	35,608	33,717	31,696	29,538	27,238	24,792	22,192	19,435	16,513	13,421	10,152	6,700	3,057	0	0	0	0	0
DCR		158.12%	155.67%	153.05%	150.23%	147.22%	144.00%	140.58%	136.93%	133.06%	128.95%	124.60%	119.99%	115.12%	109.98%	104.55%	98.83%	92.81%	86.47%	79.80%	72.80%
Cumulative Cash Flow																					
Beginning Balance		70,688	112,408	153,712	194,465	234,522	273,729	311,922	348,926	384,557	418,619	450,904	481,192	509,251	534,833	557,678	577,511	594,055	607,050	616,180	621,108
Deposits		39,014	37,372	35,608	33,717	31,696	29,538	27,238	24,792	22,192	19,435	16,513	13,421	10,152	6,700	3,057	0	0	0	0	0
Interest	3.0%	2,706	3,933	5,145	6,340	7,511	8,655	9,766	10,840	11,870	12,850	13,775	14,637	15,430	16,145	16,776	17,325	17,822	18,212	18,485	18,633
Withdrawals:																					
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(782)	(4,826)	(9,082)	(13,557)	(18,260)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		112,408	153,712	194,465	234,522	273,729	311,922	348,926	384,557	418,619	450,904	481,192	509,251	534,833	557,678	577,511	594,055	607,050	616,180	621,108	621,481
Cumulative Replacement Reserves																					
Beginning Balance		0	19,998	40,696	62,112	84,266	96,847	120,328	144,601	169,688	195,609	166,096	184,496	203,368	222,719	242,556	134,268	150,305	166,689	183,421	197,610
Deposits		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389	24,755	25,126	25,503	25,885	26,274
Interest	2.0%	198	601	1,018	1,449	1,895	2,150	2,623	3,112	3,617	4,139	3,552	3,923	4,304	4,695	5,095	2,933	3,257	3,589	3,927	4,215
Withdrawals		0	0	0	0	(10,329)	0	0	0	0	(56,291)	(8,131)	(8,375)	(8,626)	(8,885)	(137,773)	(11,650)	(12,000)	(12,359)	(15,624)	(145,614)
Ending Balance		19,998	40,696	62,112	84,266	96,847	120,328	144,601	169,688	195,609	166,096	184,496	203,368	222,719	242,556	134,268	150,305	166,689	183,421	197,610	82,484

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		106,140	104,498	102,734	100,843	98,822	96,664	94,364	91,918	89,319	86,561	83,639	80,547	77,278	73,826	70,184
Plus Reserves		19,800	20,097	20,398	20,704	21,015	21,330	21,650	21,975	22,305	22,639	22,979	23,323	23,673	24,028	24,389
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation		(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)	(246,441)
Less Short Depreciation		(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(128,122)	(129,468)	(130,930)	(132,515)	(134,226)	(136,068)	(138,048)	(132,549)	(134,818)	(137,241)	(139,823)	(142,571)	(145,490)	(148,587)	(151,869)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		44,843	45,314	45,826	46,380	46,979	47,624	48,317	46,392	47,186	48,034	48,938	49,900	50,921	52,006	53,154
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000					
After Tax Cash Flow		679,843	680,314	680,826	681,380	681,979	682,624	683,317	681,392	682,186	683,034	48,938	49,900	50,921	52,006	53,154
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		679,843	680,314	680,826	681,380	681,979	682,624	683,317	681,392	682,186	683,034	48,938	49,900	50,921	52,006	53,154
Future Value of Cash Flows at Yr 15.		1,629,283	1,538,124	1,452,152	1,371,071	1,294,600	1,222,476	1,154,449	1,086,035	1,025,756	968,897	65,490	62,997	60,648	58,433	56,343

Original Basis	6,810,515
Less Depreciation	(3,749,969)
Basis at Sale	10,560,484
Sales Price	#REF!
Gain	#REF!
Exit Tax	#REF!

Discount Rate:	7.50%				
Capital Contribution Number	1	2	3	4	
Date of Capital Contribution:	30-Jun-11	30-Apr-12	31-Jul-12		
Amount of Capital Contribution:	100	3,758,762	939,691	0	
Present Value of Contributions:	100	3,527,378	865,105	0	
Cash Flows	(4,392,583)				13,046,756
IRR:	197.02%				
Equity Yield:	(1)				

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR THAYER COMMONS FAMILY HOUSING, CITY OF BURLINGTON

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Champlain Housing Trust, Inc. (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the new construction of thirty-three (33) units of general occupancy rental housing in the City of Burlington (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joshua Slade dated August 30, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $635,000.00 for the Thayer Commons Family Housing project in the City of Burlington, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF VERMONT AFFORDABLE HOUSING TAX CREDITS (FY2011 STATE HOMEOWNERSHIP CREDITS) FOR HAGAN HILL (formerly known as Charlotte Green Cottages), TOWN OF CHARLOTTE

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency Champlain Housing Trust, Inc. (the "Borrower") involving the development of six (6) residential for sale single family detached homes in the Town of Charlotte (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Joshua Slade dated September 6, 2010, containing information, conditions and recommendations about the Development (the "Memorandum"); and

WHEREAS, this Resolution amends that certain resolution of the Board of Commissioners adopted November 19, 2009 entitled "Resolution Re: Proposed Allocations of Vermont Affordable Housing Tax Credits (FY2011 State Rental and State Homeownership Credits)" to the extent such resolution relates to the same subject matter;

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the allocation of FY2011 State Homeownership Credits, subject to State appropriation, contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of FY2011 State Homeownership Credits in the amount of $40,000.00 for Hagan Hill in the Town of Charlotte, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer

RE: Renewal of the Housing Vermont Line of Credit

DATE: September 7, 2010 for September 13, 2010 Board Meeting

Board Action Requested: Adoption of the attached resolution.

Housing Vermont's Line of Credit with VHFA will expire on November 1, 2010. Staff is proposing (see attached Resolution) that it be extended for two years (through November 1, 2012) under the same terms: a revolving line of credit of up to $1.5 million at an interest rate equal to Agency's cost plus 100 basis points.

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

VERMONT HOUSING FINANCE AGENCY

RESOLUTION REGARDING RENEWAL OF LINE OF CREDIT FOR HOUSING VERMONT

WHEREAS, Housing Vermont, a nonprofit corporation organized under the laws of the State of Vermont, (the "Borrower") has requested that the Agency renew its line of credit for bridge loans while it awaits the receipt of equity funds from limited partners of the limited partnerships that are the owners of developments where the Borrower has acted as the developer for the development; and

WHEREAS, in the past the Agency has made such bridge loans to Housing Vermont; and

WHEREAS, the Agency wishes to accommodate Housing Vermont's request, which is authorized under 10 V.S.A. § 621 (5);

NOW, THEREFORE, the Agency RESOLVES:

1. The request of Housing Vermont to renew its credit line for the purposes set forth above is granted. The maximum amount of credit that may be extended to the Borrower at any time is ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($1,500,000).

2. The interest rate on any extensions of credit to the Borrower will be the Agency's costs of funds plus one percent per annum.

3. Each extension of credit to the Borrower must be evidenced by an advance request in form satisfactory to the Executive Director and/or the Chief Financial Officer of the Agency and such other security as the Executive Director or Chief Financial Officer deems adequate.

4. This line of credit will expire November 1, 2012.

Summary of Extension of the U.S. Treasury's New Issue Bond Program (NIBP)

VHFA September Board Meeting

September 13, 2010

- On September 1, 2010, the U.S. Treasury announced it was extending and revising the terms of its New Issue Bond Program for State and Local HFA's
- Last spring, NCSHA had asked Treasury to make changes to the NIBP Program to allow HFA's to maximize use of their resources under the program
- Based on the initial terms, VHFA and many other HFA's had not been able to offer an interest rate that could compete with conventional rates
- Back in December 2009, VHFA issued escrow bonds of $125 million ($102mm in SF and $23 mm in multifamily) in order to take advantage of the NIBP program before Treasury's authority ran out on 12/31/09 under the Housing and Economic Recovery Act of 2008 (HERA)
- The program changes announced September 1st include:
  - Access to NIBP funds extended through calendar year 2011
  - Ability to make as many as 6 draws (conversion of escrow bonds)
  - Flexibility to reset the interest rates on their NIBP bonds to take advantage of lower interest rates
  - To offset the program changes' cost to the federal government, Treasury will charge HFAs that choose to take advantage of the changes a 1 basis point annual fee on their outstanding NIBP principal balances.
  - Reduced reporting requirements based on HFA feedback
- GSE's will purchase up to 60% of bond issue; 40% will be sold on the market
- On the day of the announcement, on the advice of Piper Jaffray, VHFA immediately submitted the form to apply for the extension and locked in the 10-year Treasury rate as of August 31st. (2.47%), which was the lowest rate in quite a while and starting increasing the next day. The rate was 2.794% on September 10th. The Agency has 60 days to close the bond deal.
- Treasury held a conference call on Wednesday, September 8th to review the program changes

- The VHFA Bond Working Group met on the 9th to jumpstart the bond process, including updating legal documents, notifying all parties, including the rating agencies, to ensure we can close before October 28th.
- The VHFA Homeownership team lowered its lending rates the day after Labor Day (RD: 4.375% with no points; FNMA: 4.50% with 1 point)

VHFA Board of Commissioners Meeting Minutes

Vermont Housing Finance Agency, Burlington
Board Room
Monday, September 13, 2010 at 9:00 a.m.

VHFA Board Member Present:

Lisa Randall, Beth Pearce, Tom Candon, Dagyne Canney, Rob Alberts, Bart Frisbie, Polly Nichol (designee for Gus Seelig), Tayt Brooks (designee for Kevin Dorn)

Staff Present:

Sarah Carpenter, Tom Connors, George Demas, Martha Panton, Pat Loller, Dave Adams, Joe Erdelyi, Cindy Reid, Josh Slade, Maura Collins, Renee Couture, Pat Crady, Scott Baker

Guests Present:

Jeff Kantor (J.D. Kantor Inc.), Amy Demetrowitz (Champlain Housing Trust, Inc.), Amy Wright (Cathedral Square Corporation), Kathy Beyer (Housing Vermont), Jo Ann Troiano (Montpelier Housing Authority), Matt Moore (Housing Vermont), Emily Higgins (Champlain Housing Trust, Inc. - Homeownership Center)

BOARD MEETING

Ms. Carpenter called the Board meeting to order at 9:06 a.m. She asked the Board to elect an interim chair for the current meeting in the absence of the Chair and Vice Chair. Mr. Candon moved that the Board elect Ms. Randall as interim Chair. Ms. Canney seconded the motion, which was unanimously approved.

PUBLIC COMMENT

Ms. Randall opened the meeting to public comment. No members of the public offered comment.

BOARD MINUTES

Ms. Canney moved that the Board approve the August 9, 2010 Board of Commissioners meeting minutes. Mr. Frisbie seconded the motion. Mr. Candon asked that the title "Ms." on page 1 be changed to "Mr." preceding his name. Ms. Canney accepted the changes. The amended minutes were approved by all members of the Board except Ms. Nichol, Mr. Brooks and Ms. Randall who abstained.

EXECUTIVE DIRECTOR'S REPORT

Ms. Carpenter reviewed the Executive Director's report highlighting the upcoming Affordable Housing Conference on November 18th and also that the Agency now has a more competitive Homeownership lending rate.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

CONSENT AGENDA

Grange Hill, Woodstock: Allocated Credits

Ms. Nichol moved that the Board approve the consent agenda as presented. Mr. Alberts seconded the motion, which was unanimously approved.

DEVELOPMENT

58 Barre Street Senior Housing, Montpelier: Construction Financing and Bond Credits

Ms. Reid reviewed the 58 Barre Street Senior Housing Memo. Mr. Kantor described the plans for the project.

Mr. Frisbie expressed that having a single contractor to coordinate the housing and the senior center would be vital.

Mr. Frisbie moved that the Board approve construction financing and bond credits for 58 Barre Street Senior Housing as presented. Mr. Candon seconded the motion, which was unanimously approved.

Tax Credit Status Report

Mr. Erdelyi reviewed the Tax Credit Status report. He explained that the amount of tax credits available is very fluid for a number of reasons. One assumption made was that credits would be pulled back from Newport Family Housing, however in light of recent news the sponsor is asking VHFA to not take back and reallocate those credits yet. Another consideration is that Town Meadow in Essex has informed staff they will also be seeking an increase in credits to their existing allocation, and staff is still waiting for its existing conditions to be fulfilled (and, if they are not, that entire allocation may come back for redistribution).

Mr. Erdelyi recommended allocation to either Village at Leddy Park or Thayer Commons Family Housing if the Board wants to avoid forward allocation FY2012 credits.

Village at Leddy Park, Burlington: Allocated Credits

Mr. Slade reviewed the Village at Leddy Park memo. Ms. Wright explained that the project has lots of momentum from the community and those involved in the development.

Mr. Candon asked if it is possible to get Section 8 for this project. Ms. Wright explained that they may be able to acquire some vouchers from Burlington Housing Authority who will issue an RFP this fall for up to 200 vouchers. She explained the project is structured without reliance on Section 8, but acquiring vouchers add value to the project in that it could serve lower income tenants.

Ms. Canney asked why the sponsor is still requesting $500,000 when the project is now smaller than when it was first presented to the Board at its June 2010 meeting. Ms. Wright explained that they hope to be able to develop Phase II using HUD 202 and 4% (Bond) Housing Credits. (The number of units in the combined Phase I and II has not changed.) Using the same allocation for Phase I, which now has a smaller number of units, would enable the sponsor to complete the site work and community space for both Phases. This will keep the development cost of Phase II lower thereby allowing for the 4% Credits.

Ms. Nichol asked if the 9% credits are still being requested to make up for the 202 that they will not be receiving for Phase I. Ms. Wright explained that her assumption was correct.

Ms. Canney stated that she felt the per unit tax credit amount seemed high at $20,000. Mr. Slade explained new construction with the up front site work and community space is more expensive than what we typically see. A number of projects including King Street and Sylvan Woods are in line with this request. Additionally considering we expect the units in the next phase will be built using the non-competitive 4% credits, the efficiency of this allocation is nearly double.

Mr. Frisbie asked if the risk in this project is in the possibility that Phase II does not go through and VHFA loses out on allocating credits to other projects. Staff explained that Phase I does not need Phase II in order to be financially feasible, and currently Phase II is planned to use only bond (4%) credits.

Mr. Frisbie asked about rental versus homeownership in this project and how it works. Ms. Wright explained that homeownership in this area cannot be competitive at this point which is why there is no homeownership in this Phase or Phase II. Rather, the homeownership units may be constructed in a potential third Phase, depending on marketability.

Ms. Wright told the Board that 3 Cathedral Square was chosen as one of four developments in the nation for a $50,000 Met Life Award. This award recognizes green design and resident services. Ms. Wright thanked VHFA for their involvement in that project.

Thayer Commons Family Housing, Burlington: Allocated Credits
Mr. Slade reviewed the Thayer Commons Family Housing memo. Mr. Moore explained that they are waiting on these credits to move forward and it would be helpful to receive some reassurance today.

Mr. Frisbie asked why the developer fee appears to be higher than the other projects. Mr. Moore outlined that they have reduced the developer fee since June. Mr. Slade pointed out that the fee at 10%, is below the cap of 12%. Ms. Carpenter added that the fee for Thayer Commons is all inclusive – some projects break out consultant fees, so the developer fee itself may appear lower, but the entire fee including consulting needs to be considered when comparing project fees to each other.

Mr. Erdelyi reminded the Board that if it votes to approve credits for both of the above mentioned projects while allowing Newport to hold onto its credits, the Board will have forward allocated credits beyond the two year ceiling limit. He explained that he and staff are not compelled to do that. He recommended supporting an allocation to Village at Leddy Park as presented and supporting an allocation Thayer Commons Family Housing with a condition that the credits are subject to Newport Family Housing returning its credits if it is unable to meet the conditions of its Letter of Intent by November 1, 2010.

Ms. Canney expressed concern in that there are a lower number of units for the same number of tax credits at Leddy Park. Mr. Erdelyi said that is a valid concern and the reason for it is the developer is incurring more of the shared costs on the first phase (and therefore, later phases should proceed at lower cost and using less tax credits). Mr. Slade stated there is a momentum to the project in terms of permitting and other activities at the same site.

Mr. Frisbie asked for a status report on Forest Park. Mr. Erdelyi explained that they have returned over $600,000 in credits for Phase II of Forest Park. They did not receive HOPE VI as planned for that phase, but expect to reapply. Phase I is proceeding towards closing and construction shortly.

Mr. Alberts moved that the Board approve Village at Leddy Park as presented and approve Thayer Commons Family Housing with a condition that the credits are subject to Newport Family Housing returning its credits by November 1, 2010 if unable to meet its Letter of Intent conditions. Ms. Nichol seconded the motion, which was approved by all members of the Board except Ms. Canney who voted no.

Hagen Hill, Charlotte: State Homeownership Credits

Mr. Slade reviewed the Hagen Hill memo. Ms. Demetrowitz updated the Board on the status of the project. CHT has three potential buyers and several other interested parties.

Ms. Canney moved that they Board approve State Homeownership Credits to Hagen Hill as presented. Mr. Candon seconded the motion, which was approved by all members of the Board except Mr. Frisbie who voted no.

FINANCE

Renewal of the Housing Vermont Line of Credit

Mr. Connors reviewed the Housing Vermont Line of Credit Memo.

Ms. Randall asked why Housing Vermont comes to VHFA for this line. Ms. Carpenter explained that it works well for both organizations. Mr. Adams explained that Housing Vermont actively uses their lines of credit and are frequently at their capacity. Our line is therefore valuable to Housing Vermont. He also explained that VHFA makes 1% on the line of credit to Housing Vermont, or an estimated $15,000 per year (if fully drawn). This relationship was put in place a number of years ago to provide expanded predevelopment funding to projects, rather than VHFA providing small individual predevelopment loans with general funds.

Ms. Randall asked if the line with VHFA is secured. Mr. Adams explained that it is not. Ms. Pearce asked if Housing Vermont's TD Bank line is secured. Ms. Carpenter thinks it is not.

Mr. Candon asked if the line gets paid down annually. Mr. Connors explained it does not because it is revolving.

Mr. Frisbie asked if VHFA does not extend credit to Housing Vermont could the Agency do something else with that money. Mr. Adams explained that the line of credit to Housing Vermont is funded from by borrowing off our one line of credit. It has been a good business investment for VHFA, and would be difficult to replace should Housing Vermont decide to place this elsewhere, and staff is concerned of that potential.

Ms. Pearce asked if TD Bank has shared its independent review of Housing Vermont's credit. Ms. Carpenter explained they have not; VHFA conducts its own credit assessment.

Ms. Canney moved that the Board approve the line of credit for Housing Vermont as presented. Mr. Frisbie seconded the motion, which was approved by all members of the Board except Ms. Pearce who voted no.

Update on NIBP Bonding
Mr. Connors reviewed the NIBP memo which was e-mailed to the Board prior to the meeting. He also handed out a Summary of Extension of the U.S. Treasury's New Issue Bond Program, which he reviewed.

Ms. Pearce noted that the State will be doing a bonding deal soon and that the State and VHFA should coordinate to ensure they are not going out to market at the same time.

Mr. Candon moved to approve the resolutions as presented. Ms. Canney seconded the motion, which was unanimously approved.

OTHER BUSINESS
Legislative Affordable Housing Update
Ms. Carpenter reviewed the Summary of Affordable Housing Work in Vermont memo.

Mr. Frisbie asked if the goal of this legislative study is similar to the Weidner study. Ms. Carpenter explained it is similar but it does have an expanded charge to also look at VHCB's Conservation program. This report will also review and take testimony on the Weidner report. It is due out in mid-January.

Tiger Team Update
Ms. Carpenter said she was troubled by how VHFA was portrayed in the drafted report; she felt VHFA was put in a very defensive position. Ms. Carpenter will forward her comments regarding the report to the Board this week.

Mr. Brooks recapped the process and explained they are looking for inconsistencies of the original initiatives as developed. He said Weidner will come speak to the Board if they would like.

Ms. Carpenter said the Board needs to discuss if we are measuring the correct things.

Retreat Overview
Ms. Collins handed out a drafted agenda for the Board Retreat scheduled for October 14, 2010.

Ms. Carpenter asked if Board members have any agenda items they would like to see covered. Mr. Candon said it would be beneficial to look at GSEs and how they impact VHFA. Ms.

Collins said it might be beneficial to do an additional half day session to cover GSEs. Ms. Panton will survey the Board to see if the day following the Housing Conference works. Ms. Canney said it would be helpful to have Weidner present as VHFA cannot be a leader in this process without education regarding the report.

Ms. Collins asked Board members to register for the Housing Conference.

Ms. Pearce moved that the Board adjourn at 11:20 a.m. Ms. Canney seconded the motion, which was unanimously approved.

VHFA Board of Commissioners Meeting Minutes

Vermont Housing Finance Agency
Board Room at 164 St. Paul Street, Burlington
and by Conference Call
Wednesday, October 6, 2010 at 1:00 p.m.

VHFA Board Members Present:
Rob Alberts, Tom Candon, Dagyne Canney, Beth Pearce, Lisa Randall

Staff Present:
Dave Adams, Scott Baker, Sarah Carpenter, Tom Connors, Renee Couture, George Demas, Tim Gutchell

Guest Present:
Renee Bourget-Place (KPMG)

BOARD MEETING

Mr. Demas called the meeting to order at 1:10 p.m. and asked the Commissioners present to elect an interim Chair for the current meeting in the absence of the Chair and Vice Chair. The Commissioners elected Ms. Randall as interim Chair.

FINANCE

Annual Financial Audit

Mr. Connors reviewed his PowerPoint presentation titled *Fiscal Year 2010 VHFA Financial Review 2010 Financial Highlights*, which was included in the packet emailed to the Commissioners on September 30, 2010 for the October 1, 2010 VHFA Audit/Risk Management [Board] Committee Meeting.

Ms. Bourget-Place, Engagement Partner with KPMG, pronounced that KPMG has found no significant deficiencies or material weaknesses and has issued an unqualified opinion on the financial statements. She added that no adjustments were necessary due to the new programs (TCAP, 1602 and NSP). She further explained that there was one performance improvement observation; staff should formalize a policy and implement a methodology for writing off outstanding multifamily loans that are considered uncollectible and creating reserves for those that may be forgiven.

Ms. Carpenter restated Ms. Pearce's request made at the October 1, 2010 VHFA Audit/Risk Management [Board] Committee Meeting for a staff review of the Agency's Investment Policy with an eye towards concentration risk.

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

Mr. Connors stated that the recommendation of the VHFA Audit/Risk Management [Board] Committee at its October 1, 2010 meeting was that the Commissioners accept the financial statements as presented.

Ms. Pearce made a motion to accept the *Financial Statements and Required Supplementary Information dated June 30, 2010 (With Independent Auditors' Report Thereon)* as presented. Ms. Canney seconded the motion, which was unanimously approved.

Ms. Randall, Mr. Connors and Ms. Carpenter thanked KPMG and staff, specifically Mr. Baker and Mr. Gutchell, for their hard work.

ADJOURNMENT

Ms. Pearce moved to adjourn the meeting at 1:35 p.m. Mr. Candon seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: October 6, 2010

RE: Request for Increase in Allocated Credits in Lieu of TCAP Funds: Morrisville Community Housing

Summary of Request: Lamoille Housing Partnership (LHP) and Housing Vermont (HVT) (on behalf of Morrisville Community Housing Limited Partnership) are requesting $86,000 in additional Housing Credits (9%) to replace $691,546 in TCAP funds.

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

Project Summary: Morrisville Community Housing received an award of $193,000 in 9% Credits and $691,546 in TCAP funds at the June 2010 Board meeting. Recently staff learned that this project is <u>ineligible for TCAP funds</u>, as it did not receive an award of Credits within the time period specified in the TCAP regulations. This was an oversight on staff's part - while sorting through the rules and regulations of various funding sources for all the projects reviewed for the June meeting, we missed screening this project for its award eligibility date.

We have brainstormed many possible scenarios that would allow Morrisville to go forward without the TCAP funding, and reallocating these funds to a TCAP eligible project that will move to construction in time to avoid having to return the de-committed TCAP funds to the national pool. The proposed solution we are recommending is to allocate an additional $86,000 to Morrisville Community Housing (which it has the basis to support). There is approximately $161,000 available in 2011 Credits, which will be slightly increased once we receive National Pool credits (this assumes all projects that have received awards will move forward). Staff is reviewing several projects in our pipeline to find the best fit for the TCAP funds (a project that is eligible and that can expend the funds within the required timeframe) and will have a recommendation for Board approval shortly. In the meantime, staff is recommending that the Board award Morrisville Community Housing an additional $86,000 in 9% Housing Credits (for a total allocation to this project of $279,000) in order to fill the gap from the de-commitment of TCAP funds, allowing it to close and begin construction as soon as possible. The guaranteed maximum price is to be finalized on 10/6/10 and the project planned to close on 10/15/10.

01-Oct-10 **Morrisville Community Housing**

Total Residential Units:	16	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	16	Increase in Income from Other Sources:	1.00%
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%
Total Development Cost:	3,453,303	Expense increase:	3.00%
Total Development Cost per Unit:	215,831	Vacancy Rate:	4%
Total Development Cost Per SF:	221	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	283,534	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	**279,000**	Sponsor's Estimated Yield:	73.44%

LIHTC - 9%	9.00%	
LIHTC - 4%	3.25%	October 2010

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
VHCB new	148,500	4.30%	0.00%	30	deferred
Energy loan	57,952	1.68%	0.00%	30	deferred
VFEP	33,800	0.98%	0.00%	30	deferred
VHCB existing	276,500	8.01%	0.00%	30	deferred
HOME existing	562,001	16.27%	0.00%	30	deferred
VHCB lead existing	35,000	1.01%	0.00%	30	deferred
VHCB Lead new	10,500	0.30%	0.00%	30	deferred
HUD SPG	142,000	4.11%	0.00%	30	deferred
Efficiency VT	4,800	0.14%	0.00%	30	deferred
Existing cash	10,000	0.29%	N/A	N/A	
VHCB feasibility grant	10,000	0.29%	0.00%	30	deferred
Tax Credit Equity	2,162,250	62.61%	N/A	N/A	
TOTAL SOURCES	3,453,303	100.00%			

USES

Acquisition	994,449	28.80%
Construction Hard Costs	1,684,125	48.77%
Soft Costs	774,729	22.43%
TOTAL USES	3,453,303	100.00%
Gap	0	

General Partner's Capital Contribution	20,491	1.00%
Limited Partner's Capital Contribution	2,028,599	99.00%
Total Equity	2,049,090	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	16
Total Units	16
Unit Fraction	100.00%
Tax Credit Square Footage	15,650
Total Residential Square Footage	15,650
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

01-Oct-10 **Morrisville Community Housing**

#		Budget	Per Unit	Per s.f.	75 George	61 Cherry	81 Summer	93 Summer	1621 Pucker Little River	
					By Building					
	ACQUISITION									
1	Land	98,295	6,143	6.28	17,763	30,161	16,486	12,650	21,235	98,295
2	Purchase of Building(s)	884,654	55,291	56.53	159,869	271,447	148,374	113,848	191,116	884,654
3	Demolition (without replacement)		0	0.00						0
4	Property Appraisal	7,000	438	0.45	875	2,188	1,313	1,313	1,311	7,000
5	Legal - Title and Recording	4,500	281	0.29	563	1,406	844	844	843	4,500
	Subtotal - Acquisition	994,449	62,153	63.54						
	CONSTRUCTION HARD COSTS									
6	Rehabilitation	1,484,638	92,790	94.87	304,863	499,675	261,250	325,400	93,450	1,484,638
7	New Building(s)		0	0.00						0
8	Accessory Buildings		0	0.00						0
9	Sitework		0	0.00						0
10	Commercial Space Costs (if any)		0	0.00						0
11	General Requirements		0	0.00						0
12	Contractor Overhead		0	0.00						0
13	Contractor Profit		0	0.00						0
14	Construction Contingency	155,887	9,743	9.96	25,493	43,285	23,660	32,417	31,032	155,887
15	Construction Management		0	0.00						0
16	Construction Bond Fee		0	0.00						0
17	Hazardous Materials Abatement	30,000	1,875	1.92	6,000	12,000	6,000	6,000	0	30,000
18	Off-Site Improvements		0	0.00						0
19	Furnishings, Fixtures, & Equipment	13,600	850	0.87	1,700	4,250	2,550	2,550	2,550	13,600
20	Other (________)		0	0.00						0
	Subtotal - Hard Costs	1,684,125	105,258	107.61						
	SOFT COSTS									
21	Architectural	156,496	9,781	10.00	19,562	48,905	29,343	29,343	29,343	156,496
22	Engineering		0	0.00						0
23	Legal/Accounting	25,000	1,563	1.60	3,125	7,813	4,686	4,688	4,688	25,000
24	Relocation	62,000	3,875	3.96	7,750	19,375	11,625	11,625	11,625	62,000
25	Environmental Assessment	19,000	1,188	1.21	2,375	5,936	3,563	3,563	3,563	19,000
26	Energy Assessment		0	0.00						0
27	Permits/Fees	10,269	642	0.66	1,284	3,210	1,925	1,925	1,925	10,269
28	Independent Market Study	1,800	113	0.12	225	561	338	338	338	1,800
29	Construction Period Insurance	25,000	1,563	1.60	3,125	7,813	4,688	4,686	4,688	25,000
30	Construction Interest	50,000	3,125	3.19	6,250	15,625	9,375	9,375	9,375	50,000
31	Construction Loan Origination Fee	22,750	1,422	1.45	2,844	7,109	4,266	4,265	4,266	22,750
32	Taxes During Construction		0	0.00						0
33	Clerk of the Works		0	0.00						0
34	Marketing	3,000	188	0.19	375	936	563	563	563	3,000
35	Tax Credit Fees	11,370	711	0.73	1,421	3,553	2,132	2,132	2,132	11,370
36	Soft Cost Contingency	6,500	406	0.42	813	2,031	1,219	1,219	1,218	6,500
37	Permanent Loan Origination Fee		0	0.00						0
38	Lender's Counsel's Fee		0	0.00						0
39	Other (________)		0	0.00						0
	SYNDICATION COSTS									0
40	Organizational (Partnership)		0	0.00						0
41	Bridge Loan Fees and Expenses		0	0.00						0
42	Syndication Consultant		0	0.00						0
43	Tax Opinion		0	0.00						0
	DEVELOPER'S FEES									0
44	Developer's Fees - HVT	170,000	10,625	10.86	21,250	53,125	31,875	31,875	31,875	170,000
45	Other Partnership Fees - LHP	120,000	7,500	7.67	15,000	37,500	22,500	22,500	22,500	120,000
46	Consultant Fees		0	0.00						0
	RESERVES									0
47	Working Capital		0	0.00						0
48	Rent-up (Deficit Escrow) Reserve		0	0.00						0
49	Other Operating Reserves	26,544	1,659	1.70	3,318	8,295	4,977	4,977	4,977	26,544
50	Sinking Fund		0	0.00						0
51	Replacement Reserves	65,000	4,063	4.15	8,125	20,313	12,188	12,188	12,186	65,000
	Subtotal - Soft Costs	774,729	48,421	49.50						3,453,303
	TOTAL DEVELOPMENT COSTS	3,453,303	215,831	221	613,968	1,106,512	605,740	640,284	486,799	3,453,303

COST BASIS FOR DEVEL FEE	3,071,759
DEVELOPER FEE	290,000
DEVELOPER FEE %	9.44%

01-Oct-10 **Morrisville Community Housing**

#	Item	Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other	75 George	61 Cherry	81 Summer	93 Summer	1621 Pucker Little River	
	ACQUISITION												
1	Land	98,295						17,763	30,161	16,486	12,650	21,235	
2	Purchase of Building(s)	884,654	884,654					159,869	271,447	148,374	113,848	191,116	
3	Demolition (without replacement)	0											
4	Property Appraisal	7,000	7,000					875	2,188	1,313	1,313	1,311	
5	Legal - Title and Recording	4,500	4,500					563	1,406	844	844	843	
	Subtotal - Acquisition	994,449											
	CONSTRUCTION HARD COSTS												
6	Rehabilitation	1,484,638		1,484,638	1,484,638	1,484,638		304,863	499,675	261,250	325,400	93,450	
7	New Building(s)	0											
8	Accessory Buildings	0											
9	Sitework	0											
10	Commercial Space Costs (if any)	0											
11	General Requirements	0											
12	Contractor Overhead	0											
13	Contractor Profit	0											
14	Construction Contingency	155,887		155,887	155,887	155,887		25,493	43,285	23,660	32,417	31,032	
15	Construction Management	0											
16	Construction Bond Fee	0											
17	Hazardous Materials Abatement	30,000		30,000	30,000	30,000		6,000	12,000	6,000	6,000	0	
18	Off-Site Improvements	0											
19	Furnishings, Fixtures, & Equipment	13,600		13,600	13,600			1,700	4,250	2,550	2,550	2,550	
20	Other (________)	0											
	Subtotal - Hard Costs	1,684,125											
	SOFT COSTS												
21	Architectural	156,496		156,496	156,496	28,558		19,562	48,905	29,343	29,343	29,343	
22	Engineering	0											
23	Legal/Accounting	25,000		22,500	22,500	22,500		2,813	7,032	4,217	4,219	4,219	
24	Relocation	62,000		62,000	62,000	62,000		7,750	19,375	11,625	11,625	11,625	
25	Environmental Assessment	19,000		19,000	19,000	19,000		2,375	5,936	3,563	3,563	3,563	
26	Energy Assessment	0		0	0								
27	Permits/Fees	10,269		10,269	10,269	10,269		1,284	3,210	1,925	1,925	1,925	
28	Independent Market Study	1,800		1,800	1,800	1,800		225	561	338	338	338	
29	Construction Period Insurance	25,000		22,500	22,500	22,500		2,813	7,032	4,219	4,217	4,219	
30	Construction Interest	50,000		25,000	25,000	25,000		3,125	7,813	4,688	4,688	4,688	
31	Construction Loan Origination Fee	22,750		22,750	22,750	22,750		2,844	7,109	4,266	4,265	4,266	
32	Taxes During Construction	0		0	0								
33	Clerk of the Works	0											
34	Marketing	3,000											
35	Tax Credit Fees	11,370											
36	Soft Cost Contingency	6,500		6,500	6,500	6,500		813	2,031	1,219	1,219	1,218	
37	Permanent Loan Origination Fee	0											
38	Lender's Counsel's Fee	0		0	0								
39	Other (________)	0											
	SYNDICATION COSTS												
40	Organizational (Partnership)	0											
41	Bridge Loan Fees and Expenses	0											
42	Syndication Consultant	0											
43	Tax Opinion	0											
	DEVELOPER'S FEES												
44	Developer's Fees - HVT	170,000		170,000	170,000	170,000		21,250	53,125	31,875	31,875	31,875	
45	Other Partnership Fees - LHP	120,000		120,000	120,000	120,000		15,000	37,500	22,500	22,500	22,500	
46	Consultant Fees	0											
	RESERVES												
47	Working Capital	0											
48	Rent-up (Deficit Escrow) Reserve	0											
49	Other Operating Reserves	26,544											
50	Sinking Fund	0											
51	Replacement Reserves	65,000											
	Subtotal - Soft Costs	774,729											
	TOTALS	3,453,303	896,154	2,322,940	2,309,340	2,181,402		417,909	758,838	413,238	486,144	246,811	
	LESS: Amount of Non-qualified Financing								(785)	(1,333)	(98,122)	(998)	(101,238)
								417,909	758,053	411,905	388,022	245,813	2,221,702
	LESS: Historic tax Credit (Residential Portion)			148,501	436,280	20%	Historic Credit Rate	100%	100%	100%	100%	100%	
	Total Eligible Basis		896,154	2,174,439		436,280	Annual Historic Credit	417,909	758,053	411,905	388,022	245,813	
	TIMES: Adjusted for QCT/DDA	130.00%		2,826,771				130%	130%	130%	130%	130%	
	TIMES: Applicable Fraction	100.00%	896,154	2,826,771				543,282	985,469	535,477	504,429	319,557	2,888,213
	Total Qualified Basis		896,154	2,826,771	1,873,060	Long Term Depreciable Basis		9%	9%	9%	9%	9%	
	TIMES: Applicable Percentage		3.25%	9.00%	27.5	Depreciation Schedule		48,895	88,692	48,193	45,399	28,760	**259,939**
	Total Annual Credit Qualified		29,125	254,409	68,111	Annual Depreciation							**Rehab**
								161,307	275,041	150,531	116,005	193,270	
	Total Tax Credits Requested	279,000		**283,534**	13,600	Short Term Depreciable Basis		100%	100%	100%	100%	100%	
	Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,028,599			7	Depreciation Schedule		100%	100%	100%	100%	100%	
	Estimated Yield - Housing Credit Syndication	73.44%			1,943	Annual Depreciation		3.25%	3.25%	3.25%	3.25%	3.25%	
	Equity Gap	2,028,599						5,242	8,939	4,892	3,770	6,281	**29,125**
	Credits Needed to fill Equity Gap	279,000											**Acquisition**
													289,064 Total
				133,651									

date: 8/6/2007

01-Oct-10 **Morrisville Community Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br		653	3	512		18,432
2 Br		992	9	636		68,688
3 Br		1,154	4	767		36,816
4+ Br			0	0		0
	Totals	15,650	16			123,936

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br			0	0		0
1 Br			0	0		0
2 Br			0	0		0
3 Br			0	0		0
4+ Br			0	0		0
	Totals	0	0			0

Common Area Square Footage

Grand Totals	15,650	16		123,936
	Less Vacancy	4.00%		(4,957)
			NET RENT	118,979

OTHER INCOME

Laundry	0
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	118,979

01-Oct-10

Morrisville Community Housing

	Check all Applicable									A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
75 George	1				1	1				3	1,360	850	59	909			1						1			
	2	1			1	1				3	1,199	683	59	742		1						1				
61 Cherry	3	1			1	1				1	571	492	29	521		1						1				
	4				1					1	680	550	29	579			1						1			
	5				1					2	739	650	44	694			1						1			
	6				1					1	991	650	29	679			1						1			
	7				1					3	1,075	850	59	909			1						1			
81 Summer	8				1					2	1,220	650	44	694			1						1			
	9				1					2	898	650	44	694			1						1			
	10		1		1					1	902	492	29	521			1						1			
93 Summer	11	1			1					2	1,200	600	44	644		1						1				
	12				1					2	867	695	44	739			1						1			
	13				1					1	867	550	29	579			1						1			
Little River	14				1					2	980	550	44	594			1						1			
	15				1					2	977	550	44	594			1						1			
	16	1			1					3	1,124	683	59	742		1						1				
Total # Units	16									Totals:	15,650	10,145		Total # Units:	0	4	12	0	0	0	0	4	12	0	0	0
										Plus common sf	53															
											15,703															

re[illegible]e: 8/6/2007

01-Oct-10 **Morrisville Community Housing**

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	14,400	1,200	75	12.1%
Supportive Services		0	0	
Audit/Accounting	3,840	320	20	
Legal	1,536	128	8	
Compliance Monitoring	1,152	96	6	
Marketing	768	64	4	
Other	960	80	5	
TOTAL ADMINISTRATIVE	22,656	1,888	118	
Utilities				
Electricity	1,920	160	10	
Fuel	17,280	1,440	90	
Water and Sewer	5,760	480	30	
Fire Alarm / Emergency		0	0	
Other		0	0	
TOTAL UTILITIES	24,960	2,080	130	
Maintenance				
Maintenance / Janitor Payroll	7,680	640	40	
Janitor Supplies	4,800	400	25	
Exterminating	960	80	5	
Trash Removal	3,456	288	18	
Snow Removal	3,840	320	20	
Grounds	3,840	320	20	
Repairs Material	2,304	192	12	
Repairs Contract		0	0	
HVAC Repairs / Maintenance	1,920	160	10	
Elevator Contract / Repairs		0	0	
Painting and Decorating		0	0	
Other	960	80	5	
TOTAL MAINTENANCE	29,760	2,480	155	
				per unit month
Real Estate Taxes	13,440	1,120	70	excl. ds & res.
Property Insurance	5,760	480	30	503
Replacement Reserves	9,600	800	50	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other		0	0	
Total	106,176	8,848	553	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	106,176

revision date: 8/6/2007

01-Oct-10		Morrisville Community Housing														
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		123,936	125,795	127,682	129,597	131,541	133,514	135,517	137,550	139,613	141,707	143,833	145,990	148,180	150,403	152,659
Other Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy and other losses		(4,957)	(5,032)	(5,107)	(5,184)	(5,262)	(5,341)	(5,421)	(5,502)	(5,585)	(5,668)	(5,753)	(5,840)	(5,927)	(6,016)	(6,106)
Total Operating Income		118,979	120,763	122,575	124,413	126,280	128,174	130,096	132,048	134,028	136,039	138,079	140,151	142,253	144,387	146,553
Operating Expenses																
Total Expenses (excl. Reserves)		96,576	99,473	102,457	105,531	108,697	111,958	115,317	118,776	122,340	126,010	129,790	133,684	137,694	141,825	146,080
Reserves		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Total Operating Expense		106,176	109,217	112,348	115,570	118,886	122,300	125,814	129,431	133,154	136,986	140,931	144,992	149,172	153,475	157,905
Net Operating Income		12,803	11,546	10,227	8,844	7,393	5,874	4,282	2,617	875	(947)	(2,852)	(4,841)	(6,919)	(9,088)	(11,352)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		12,803	11,546	10,227	8,844	7,393	5,874	4,282	2,617	875	(947)	(2,852)	(4,841)	(6,919)	(9,088)	(11,352)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	947	2,852	4,841	6,919	9,088	11,352
Net Cash		12,803	11,546	10,227	8,844	7,393	5,874	4,282	2,617	875	0	0	0	0	0	0
DCR		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																
Beginning Balance		26,544	40,005	52,467	63,846	74,055	83,003	90,595	96,733	101,310	104,220	105,357	104,612	101,863	96,981	89,832
Deposits		12,803	11,546	10,227	8,844	7,393	5,874	4,282	2,617	875	0	0	0	0	0	0
Interest	2.0%	659	916	1,152	1,365	1,555	1,719	1,855	1,961	2,035	2,084	2,107	2,092	2,037	1,940	1,797
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	(947)	(2,852)	(4,841)	(6,919)	(9,088)	(11,352)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		40,005	52,467	63,846	74,055	83,003	90,595	96,733	101,310	104,220	105,357	104,612	101,863	96,981	89,832	80,277
Cumulative Replacement Reserves																
Beginning Balance		65,000	75,996	87,357	99,094	111,214	111,730	124,410	130,500	136,661	142,890	144,234	150,723	157,280	163,903	170,589
Deposits		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Interest	2.0%	1,396	1,617	1,846	2,082	2,326	2,338	2,593	2,717	2,841	2,968	2,996	3,128	3,260	3,395	3,530
Withdrawals		0	0	0	0	(12,000)	0	(7,000)	(7,210)	(7,426)	(12,600)	(7,649)	(7,879)	(8,115)	(8,358)	(50,000)
Ending Balance		75,996	87,357	99,094	111,214	111,730	124,410	130,500	136,661	142,890	144,234	150,723	157,280	163,903	170,589	135,944
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		12,803	11,546	10,227	8,844	7,393	5,874	4,282	2,617	875	(947)	(2,852)	(4,841)	(6,919)	(9,088)	(11,352)
Plus Reserves		9,600	9,744	9,890	10,039	10,189	10,342	10,497	10,655	10,814	10,977	11,141	11,308	11,478	11,650	11,825
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation		(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)	(68,111)
Less Short Depreciation		(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(47,652)	(48,764)	(49,937)	(51,172)	(52,472)	(53,838)	(55,275)	(54,840)	(56,422)	(58,082)	(59,822)	(61,644)	(63,553)	(65,550)	(67,639)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		16,678	17,067	17,478	17,910	18,365	18,843	19,346	19,194	19,748	20,329	20,938	21,576	22,243	22,942	23,674
Plus Historic Rehab Credits		436,280														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000					
After Tax Cash Flow		731,958	296,067	296,478	296,910	297,365	297,843	298,346	298,194	298,748	299,329	20,938	21,576	22,243	22,942	23,674
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		731,958	296,067	296,478	296,910	297,365	297,843	298,346	298,194	298,748	299,329	20,938	21,576	22,243	22,942	23,674
Future Value of Cash Flows at Yr 15:		1,754,181	669,380	632,366	597,442	564,488	533,392	504,049	475,276	449,206	424,604	28,019	27,239	26,492	25,778	25,094

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: INCREASE IN PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR MORRISVILLE COMMUNITY HOUSING, TOWNS OF MORRISTOWN (VILLAGE OF MORRISVILLE) AND STOWE

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Lamoille Housing Partnership, Inc. (the "Sponsors") on behalf of Morrisville Community Housing Limited Partnership in which the Sponsors' subsidiaries or affiliates are co-general partners (the "Borrower") involving the acquisition and rehabilitation of a total of sixteen (16) units of general occupancy rental housing in the Towns of Morristown (Village of Morrisville) and Stowe (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated October 6, 2010, containing information, conditions and recommendations about the Development (the "Memorandum") that will amend a certain resolution of the Board of Commissioners dated June 28, 2010;

WHEREFORE, it is hereby RESOLVED:

1. The recommendations for the increased allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in an increased total amount of $279,000.00 for the Morrisville Community Housing project in the Towns of Morristown (Village of Morrisville) and Stowe, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VHFA Board of Commissioners Meeting Minutes
Main Street Landing Performing Arts Center, Great Room
Sixty Lake Street
Burlington, Vermont.
Thursday, October 14, 2010 at 10:00 a.m.

VHFA Board Members Present:
Tom Pelletier, Tom Candon, Beth Pearce, Gus Seelig, Bart Frisbie, Kevin Dorn

Staff Present:
Dave Adams, Sarah Carpenter, Tom Connors, Pat Loller, George Demas, Martha Fidalgo, Cindy Reid, Joe Erdelyi, Maura Collins

Guest Present:
Kathy Beyer (Housing Vermont)

BOARD MEETING
Mr. Pelletier called the meeting to order at 10:10 a.m.

DEVELOPMENT
Request for Increase in Allocated Credits in Lieu of TCAP Funds: Morrisville Community Housing
Ms. Carpenter explained Morrisville Community Housing is ineligible for TCAP funds as awarded in June 2010 because it did not get a tax credit award within the required TCAP timeframe (10/1/06 – 9/30/09). Staff is recommending $86,000 in additional Housing Credits (9%) to replace $691,546 in TCAP funds. Ms. Reid added that this plan works well for the Agency because the project has adequate basis to support the additional credit, there is enough 2011 Housing credit available, and the project can move forward so that rehabilitation can begin as planned. Alternate plans for use of the $691,546 in TCAP funds could be presented as early as the November 8, 2010 VHFA Board meeting.

Mr. Seelig moved that the Board approve the increase in allocated credits in lieu of TCAP funds for Morrisville Community Housing as presented. Mr. Candon seconded the motion. Mr. Seelig said Mr. Erdelyi has been in contact with VHCB regarding the issue and VHCB is willing to consider adjusting VHCB funding within certain projects in order to help solve the problem. This will not be required with an additional credit allocation. Mr. Pelletier thanked VHFA staff for bringing forth the error and acting quickly. The motion was unanimously approved.

PUBLIC COMMENT
Ms. Beyer said she heard at a recent national conference that Vermont is ahead of other States in allocating TCAP and Exchange Funds.

BOARD MINUTES

mailing address P.O. Box 408, Burlington, VT 05402-0408 delivery address 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 fax (802) 864-5746 www.vhfa.org

Mr. Candon moved that the Board approve the September 13, 2010 Board of Commissioners meeting minutes. Mr. Frisbie seconded the motion, which was approved by all members of the Board except Mr. Seelig who abstained.

Ms. Pearce moved that the Board approve the October 6, 2010 Board of Commissioners meeting minutes. Mr. Candon seconded the motion, which was unanimously approved.

ADJOURNMENT
Mr. Seelig moved to adjourn the meeting. Ms. Pearce seconded the motion, which was unanimously approved.

vhfa

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Patricia M. Loller, Director of Administration

DATE: December 6, 2009

RE: **VHFA Flexible Benefit Plan Amendment**

CONSENT

Recommendation: Approval of the attached resolution to amend the VHFA Flexible Benefit Plan to incorporate regulatory changes due to the Affordable Care Act of 2010.

The Affordable Care Act of 2010 included regulatory changes to Flexible Benefit Plans - specifically changes in reimbursement and dependent eligibility as outlined below.

Changes in Reimbursement
Effective January 1, 2011, "over the counter" medications will no longer be eligible for reimbursement without a prescription from the Plan Participant's doctor.

Dependent Definition
Effective March 30, 2010, Dependent eligibility shall now include a Participant's "Child" until s/he reaches the age of 26, without regard to student status, marital status, financial dependency or residency status with the Participant or any other person.

Please let me know if you have any questions - 652-3425

Vermont Housing Finance Agency

RESOLUTION RE: GRACE PERIOD AMENDMENT TO THE FLEXIBLE BENEFIT PLAN

WHEREAS, the Vermont Housing Finance Agency (the "Agency") has previously established a Cafeteria Plan within the meaning of Section 125 of the Internal Revenue Code, as amended from time to time, to provide certain benefits to its Employees (the "Plan"); and

WHEREAS, the Affordable Care Act of 2010 included regulatory changes that pertain to Flexible Benefit Plans as follows:

- Effective March 30, 2010, Dependent eligibility shall now include a Participant's "Child" until s/he reaches the age of 26, without regard to student status, marital status, financial dependency or residency status with the Participant or any other person;
- Effective January 1, 2011, "over the counter" medications will no longer be eligible for reimbursement without a prescription from the Plan Participant's doctor; and

WHEREAS, the Agency must amend its Plan to incorporate these regulatory changes;

NOW, THEREFORE, be it RESOLVED:

1. That the Plan be and it hereby is amended as provided in Amendment #1 ("Amendment") to the Vermont Housing Finance Agency Flexible Benefit Plan, attached hereto.

2. That the proper employees of the Agency be and they hereby are authorized and directed to execute any and all such documents and to perform any and all such acts as may be necessary and proper to effect the foregoing.

Vermont Housing Finance Agency
Flexible Benefit Plan

Amendment #1

ARTICLE I
PREAMBLE

1.1 **Adoption and effective date of amendment.** The Employer adopts this Amendment to **Vermont Housing Finance Agency Flexible Benefit Plan** ("Plan") to reflect certain provisions of the Affordable Care Act of 2010 (the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act). The sponsor intends this Amendment as good faith compliance with the requirements of these provisions. This Amendment shall be effective on or after the date the Employer elects in Section 2.1 below.

1.2 **Supersession of inconsistent provisions.** This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.

ARTICLE II
ELECTIONS

2.1 **Effective Date for Article III.** The provisions of Article III, unless otherwise indicated are effective as of **March 30, 2010.**

ARTICLE III
MISCELLANEOUS PROVISIONS

3.1 **Change in Reimbursement.** Effective **January 1, 2011**, the Plan's definition of "Medical Expenses" under the Health Care Reimbursement Arrangement or Health Flexible Spending Account is amended by the addition of the following:

Notwithstanding anything in the Plan to the contrary, a Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin. In addition, only medicine or drugs considered to be prescription drugs under Code Section 106(f) (not "over-the-counter" drugs obtained under prescription) shall be able to be purchased by debit and/or credit cards issued to be used in conjunction with the Plan.

3.2 **Dependent.** The Plan's definition of "Dependent" is amended by the addition of the following:

"Dependent" shall include any child of a Participant who is covered under an Insurance Contract, as defined in the Contract, *[or under the Health Flexible Spending Account]* as allowed by reason of the Affordable Care Act.

A Participant's "Child" includes his natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. An Employee's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Participant or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Participant of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

3.3 **Dependent.** The Plan's Change in Status provisions are amended by the addition of the following:

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child up to the end of the year in which a child attains age 26, as allowed under Code Sections 105(b) and 106 and IRS Notice 2010-38, shall qualify as a change in status.

This amendment has been executed this ________ day of ____________________, ________.

Name of Employer: ____

By: ________________________________
EMPLOYER

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: December 2, 2010

RE: Request for Credit Increase: Hawk's Meadow, Essex

Name:	Hawk's Meadow	**Location:**	Essex
Housing Type:	**Senior**	**Unit Type:**	Flats
Unit Count:	24 units 19 tax credit units	**Unit Sizes:**	24 1-BR @ 641 s.f.
Total Cost:	$2,986,492	**Per S.F. Acquisition & Construction Cost:**	$81
Credits Requested:	$165,949 9% Credits	**Sponsor:**	Dousevicz Inc.
Other Funding:	Bank debt, Land equity loan		

Name:	Hawk's Meadow	**Location:**	Essex
Housing Type:	**Family**	**Unit Type:**	Flats
Unit Count:	25 units 24 tax credit units	**Unit Sizes:**	1 1-BR @ 641 s.f. 24 2-BR @ 925 s.f.
Total Cost:	$3,958,838	**Per S.F. Acquisition & Construction Cost:**	$105
Credits Requested:	$219,980 9% Credits	**Sponsor:**	Dousevicz Inc.
Other Funding:	Bank debt, Land equity loan		

Summary of Changes to Project and Request:
At its meeting on June 28th, 2010, the Board approved a 9% Housing Credit award of $367,551 to Hawk's Meadow (formerly referred to as Town Meadow), a proposed mixed senior and family new development in Essex. The Credit award was made conditional upon the sponsors: 1) obtaining a legal opinion addressing Fair Housing Act compliance, and 2) that the project achieve a 115% debt coverage ratio in year one and throughout the life of the project using comparable operating expenses from similar projects.

Since June the project has undergone changes and is now requesting a 5% increase in Credit. Following is a summary of the changes:

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

When Hawk's Meadow was presented to the Board in June it was all one project. The sponsors have since obtained a legal opinion that the project, in two separate wings, one for family and one for senior, divided by condominium, would comply with the Fair Housing Act. The project development and operating budget has been divided by family and senior as well, for tax credit purposes. The Allocation Plan states that independent senior housing is not eligible for 9% Credits unless it is service-enriched or brings to the table a scarce resource. The Board approved a waiver from this requirement of the Allocation Plan for the senior housing component of the project at its June meeting.

People's United has made a commitment to provide the construction and permanent financing and the tax credit equity. The project has all of its permits and is ready for a construction start. The project will be designed and built to the LEED New Construction Standard.

The operating budget was increased from $319 per unit month to $333 per unit month. The sponsor has proposed the lower operating budget in part due to the building's LEED status. This is still $88 per unit per month lower than other properties owned by affiliates of the sponsor (properties which are all senior with no family units, and family units typically have higher operating costs) and managed by the same company. Staff had raised this as an issue, and while the operating expenses have been slightly increased, they remain lower than comparable properties. The management company has stated in a letter that they agree to the budget that has been submitted to VHFA and are willing to manage the project at the proposed fee. The replacement reserve deposits have been increased from $35 per unit month to $45 per unit month. The budget achieves a 115% debt coverage ratio using the sponsor's assumptions. Using comparable operating expenses from other projects, however, the project would have a gap of $609,000 in order to achieve a 115% debt coverage ratio.

The land acquisition cost was lowered from $1.5 million to $400,000. The land is owned by Dousevicz Inc., and will be sold to the tax credit partnership subject to seller financing. The development fee was increased from $0 to $628,000. The development fee is 12% which is within the maximum limits allowable under the Allocation Plan. The entire developer fee is being deferred. VHFA has not been provided a pro-forma that demonstrates repayment of the deferred developer fee within 15 years, which is a 'best practice' for tax credit developments that NCSHA recommends. Most tax credit investors require that deferred developer fees be paid over a ten year period. In the event the deferred fees are determined to be ineligible for inclusion in basis, basis would be reduced by that amount, but this does not affect the amount of credits requested for this project.

VHFA also looks at developer fees as an additional funding source for unanticipated construction contingencies. Deferral of 100% of the fee is cause for some concern for this reason and is unusual. In as much as People's United is providing the construction and permanent financing and is the equity investor, and there is a 4% construction contingency provision combined with personal guarantees of and Jim and Carol Dousevicz, completion of the project is considered likely. VHFA will not be monitoring the construction process. In the event no payments are made against the deferred developer loans, there will be a significant future obligation for the project with principal balances plus accrued interest in year 15 approximating $2.25 million. The outstanding balance of the permanent loan to People's United in year 15 will be roughly $2.2 million. All told, the project will have outstanding debt in year 15 of $4.45 million. It would be expected that a financial restructuring would occur at that time and repayment of these debts would be part of that restructuring.

To summarize, the sponsor is requesting an increase of 5% to their Housing Credit award of $367,551, or an increase of $18,378, bringing their total Credit award to $385,929.

Staff continues to have the following concerns about this project:

- The project sponsor has submitted a proformas that achieves the Board required 115% debt coverage ratio, but continues to rely on a proposed operating expense budget at $88 per unit per month below three other projects owned by affiliates of the sponsor. Using an average of all three properties and providing for some savings as a result of LEED construction, the project does not achieve the 115% debt coverage ratio.

- Construction costs are lower than average. We are concerned that this may not be achievable, given LEED construction. Concerns are somewhat mitigated given known site conditions, and a similar building design to other projects built by the sponsor.

- Deferred, yet accruing debt will create a significant outstanding liability to the project in year 15. A financial restructuring may be required at that future date.

- The projected lease up period is 10-12 months per the market study (a longer period than other projects we routinely finance).

In the project's favor we note:

- The project is proposed at a low construction cost per unit. This will be desirable if achieved with no compromise in quality.

- The project is proposed to be built to and meet LEED standards. This may help to reduce operating costs, and is environmentally desirable.

- The project is fully permitted and can start construction immediately, providing employment opportunities in the construction and supply trades.

- The project provides newly constructed units to the affordable housing inventory, in a location that is consistent with Smart Growth principals.

- The developer is deferring the development fee and financing the sale of the land, which means there are no other soft sources of funding (scarce resources) being utilized.

The lower operating budget and construction budgets proposed by the sponsor are the responsibility and the risk of the sponsor and are shared with People's United Bank as construction/permanent lender and as equity investor. In a sense, this serves as a developer subsidy to the project that in other projects is provided by other sources of soft funding. To the degree the sponsor needs to seek other sources of funding to better meet the 115% DCR requirement, it would only delay construction of the project, increase the cost of construction, and would not likely result in lower rents or income targeting. It would however provide more flexibility in the expense budget, and increases the potential of repayment of the developer loans.

While the Agency has no credit risk associated with this development, we are allocating a scarce resource. We continue to have some concerns that are only addressed if the sponsor performs better than our benchmarks and experience with comparable properties. The project also presents opportunities to create additional units, in a good location, providing jobs and associated economic benefits from an immediate construction start. Staff felt it appropriate to bring the changes made to the project, along with our update on how the conditions set by the Board in June are proposed to have been met, back to the Board of Commissioners in consideration of the request for an increase in Credits.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR HAWK'S MEADOW (FAMILY), TOWN OF ESSEX

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Dousevicz, Inc. (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the new construction of twenty-five (25) units of general occupancy rental housing in the Town of Essex (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated December 2, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The described allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference is hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $219,980.00 for the Hawk's Meadow (Family) housing project in the Town of Essex, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: PROPOSED ALLOCATION OF ALLOCATED HOUSING CREDITS FOR HAWK'S MEADOW (SENIOR), TOWN OF ESSEX

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Dousevicz, Inc. (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the new construction of twenty-four (24) units of senior rental housing in the Town of Essex (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated December 2, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

WHEREFORE, it is hereby RESOLVED:

1. The described allocation of Allocated Housing Credits contained in the Memorandum which is attached and incorporated by this reference is hereby approved.

2. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the proposed allocation of federal Allocated Housing Credits in the amount of $165,949.00 for the Hawk's Meadow (Senior) housing project in the Town of Essex, Vermont.

3. The findings set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings of the Board.

Operating Budget Analysis for Hawk's Meadow, Essex						
Year	**Proposed for 2011**	Audited 2009	Audited 2009	Audited 2009		
# Units	**49**	66	61	60		
	Hawk's Meadow	Hawk's Nest	Falcon Manor	Eagle Crest	**Average**	**Hawk's Meadow Variance**
Total PUM*	**333**	433	422	407	**421**	**-88**
Repl Res deposits PUM	**45**	32	31	35	**33**	**12**
Admin PUM	**65**	98	98	102	**100**	**-35**
Services PUM	**0**	15	21	28	**21**	**-21**
Utilities PUM	**88**	126	112	102	**113**	**-25**
Maintenance PUM	**97**	98	114	97	**103**	**-6**
Taxes PUM	**62**	75	57	55	**62**	**0**
Insurance PUM	**21**	21	20	23	**21**	**0**
Debt Service PUM	**379**	290	414	358	**354**	**25**
	sen/fam	senior	senior	senior		

* = not including debt service and replacement reserve deposits

Year	**Proposed for 2011**	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Audited 2009	Budgeted 2010	Proposed for 2011		
# Units	**49**	66	61	60	33	39	60	44	40	24	24	47	30		
Operating Budget Analysis for Hawk's Meadow	**Hawk's Meadow**	Hawk's Nest	Falcon Manor	Eagle Crest	Pines II	Pines III	Pines IV	Essex Town Center	Holy Cross	Lime Kiln Bond	Lime Kiln Allocated	CSSL Town Meadow	Susie Wilson Road	**Average**	**Hawk's Meadow Variance**
Total PUM*	**333**	433	422	407	413	479	407	438	539	471	430	607	498	**462**	**-129**
Repl Res deposits PUM	**45**	32	31	35	39	36	50	41	29	91	57	48	45	**45**	**0**
Admin PUM	**65**	98	98	102	110	111	100	153	150	109	110	199	168	**126**	**-61**
Services PUM	**0**	15	21	28	11	14	0	0	74	0	0		0	**13**	**-13**
Utilities PUM	**88**	126	112	102	75	91	88	101	121	112	114	142	102	**107**	**-19**
Maintenance PUM	**97**	98	114	97	134	190	138	113	157	176	126	146	142	**136**	**-39**
Taxes PUM	**62**	75	57	55	67	56	64	58	17	47	52	89	61	**58**	**4**
Insurance PUM	**21**	21	20	23	16	17	17	12	20	27	27	32	25	**21**	**0**
Debt Service PUM	**379**	290	414	358	349	241	405	331	147	233	242	0	94	**259**	**120**
	sen/fam	senior	senior	senior	senior	senior	senior	general	senior	general	general	senior	general		

* = not including debt service and replacement reserve deposits

02-Dec-10 **Hawk's Meadow**

	Total	Family	Elderly		
Total Residential Units:	49	25	24	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	44	24	19	Increase in Income from Other Sources:	1.50%
Percent Restricted:	89.80%	96.00%	79.17%	Increase in Income from Commercial:	0.00%
Total Development Cost:	6,945,330	3,958,838	2,986,492	Expense increase:	3.00%
Total Development Cost per Unit:	141,741	158,354	124,437	Vacancy Rate:	5%
Total Development Cost Per SF:	132	133	133	Partner's Tax Rate:	35%
Credit Election:	40/60	40/60	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	459,831	311,140	193,563	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	385,929	192,366	193,563	Sponsor's Estimated Yield:	73.00%
LIHTC - 9%	9.00%			(December 2010)	
LIHTC - 4%	3.25%				

SOURCES

	Total	Family	Elderly	% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage - Family	1,792,500	1,792,500		25.81%	6.00%	30	20
First Mortgage - Elderly	1,307,548		1,307,548	18.83%	6.00%	30	20
Town Meadow Land Equity	400,000	228,000	172,000	5.76%	5.37%	deferred	20
Land Equity loan - Elderly to Fam	0	(43,071)	43,071	0.00%	5.37%	deferred	20
Defered Developer's Fee	628,000	357,960	270,040	9.04%	5.37%	deferred	20
Tax Credit Equity	2,817,282	1,404,275	1,413,006	40.56%	N/A	N/A	
TOTAL SOURCES	6,945,330	3,739,664	3,205,665	100.00%			

USES

	Total	Family	Elderly	% of Total Development Cost
Acquisition	407,500	232,275	175,225	5.87%
Construction Hard Costs	5,075,282	2,892,911	2,182,371	73.07%
Soft Costs	1,462,548	833,652	628,896	21.06%
TOTAL USES	6,945,330	3,958,838	2,986,492	100%
Gap	0	219,174	(219,173)	

	Total	Family	Elderly
General Partner's Capital Contribution	2,817	1,404	1,413
Limited Partner's Capital Contribution	2,814,464	1,402,871	1,411,593
Total Equity	2,817,282	1,404,275	1,413,006

APPLICABLE FRACTION CALCULATION

	Total	Family	Elderly
Tax Credit Restricted Units	44	24	19
Total Units	49	25	24
Unit Fraction	89.80%	96.00%	79.17%
Tax Credit Square Footage	35,304	22,200	12,179
Total Residential Square Footage	38,509	22,841	15,384
Square Footage Fraction	91.68%	97.19%	79.17%
Applicable Fraction	89.80%	96.00%	79.17%

02-Dec-10	**Hawk's Meadow**									
		Total Budget	Per Unit	Per s.f.	Family Budget	Per Unit	Per s.f.	Elderly Budget	Per Unit	Per s.f.
	ACQUISITION									
1	Land	400,000	8,163	7.61	228,000	9,120	7.64	172,000	7,167	7.67
2	Purchase of Building(s)		0	0.00	0	0	0.00	0	0	0.00
3	Demolition (without replacement)		0	0.00	0	0	0.00	0	0	0.00
4	Property Appraisal	5,000	102	0.10	2,850	114	0.10	2,150	90	0.10
5	Legal - Title and Recording	2,500	51	0.05	1,425	57	0.05	1,075	45	0.05
	Subtotal - Acquisition	407,500	8,316	7.75	232,275	9,291	7.78	175,225	7,301	7.82
	CONSTRUCTION HARD COSTS									
6	Rehabilitation		0	0.00	0	0	0.00	0	0	0.00
7	New Building(s)	4,375,282	89,291	83.24	2,493,911	99,756	83.51	1,881,371	78,390	83.94
8	Accessory Buildings		0	0.00	0	0	0.00	0	0	0.00
9	Sitework	400,000	8,163	7.61	228,000	9,120	7.64	172,000	7,167	7.67
10	Commercial Space Costs (if any)		0	0.00	0	0	0.00	0	0	0.00
11	General Requirements		0	0.00	0	0	0.00	0	0	0.00
12	Contractor Overhead		0	0.00	0	0	0.00	0	0	0.00
13	Contractor Profit		0	0.00	0	0	0.00	0	0	0.00
14	Construction Contingency	200,000	4,082	3.81	114,000	4,560	3.82	86,000	3,583	3.84
15	Construction Management		0	0.00	0	0	0.00	0	0	0.00
16	Construction Bond Fee		0	0.00	0	0	0.00	0	0	0.00
17	Hazardous Materials Abatement		0	0.00	0	0	0.00	0	0	0.00
18	Off-Site Improvements		0	0.00	0	0	0.00	0	0	0.00
19	Furnishings, Fixtures, & Equipment	100,000	2,041	1.90	57,000	2,280	1.91	43,000	1,792	1.92
20	Other (____________)		0	0.00	0	0	0.00	0	0	0.00
	Subtotal - Hard Costs	5,075,282	103,577	96.56	2,892,911	115,716	96.88	2,182,371	87,295	73.08
	SOFT COSTS									
21	Architectural	50,000	1,020	0.95	28,500	1,140	0.95	21,500	896	0.96
22	Engineering - in owner's equity		0	0.00	0	0	0.00	0	0	0.00
23	Legal/Accounting	20,000	408	0.38	11,400	456	0.38	8,600	358	0.38
24	Relocation		0	0.00	0	0	0.00	0	0	0.00
25	Environmental Assessment		0	0.00	0	0	0.00	0	0	0.00
26	Energy Assessment		0	0.00	0	0	0.00	0	0	0.00
27	Permits/Fees	160,000	3,265	3.04	91,200	3,648	3.05	68,800	2,867	3.07
28	Independent Market Study - in owner equity		0	0.00	0	0	0.00	0	0	0.00
29	Construction Period Insurance	30,000	612	0.57	17,100	684	0.57	12,900	538	0.58
30	Construction Interest	118,548	2,419	2.26	67,572	2,703	2.26	50,976	2,124	2.27
31	Construction Loan Origination Fee	56,000	1,143	1.07	31,920	1,277	1.07	24,080	1,003	1.07
32	Taxes During Construction	30,000	612	0.57	17,100	684	0.57	12,900	538	0.58
33	Clerk of the Works	20,000	408	0.38	11,400	456	0.38	8,600	358	0.38
34	Marketing	30,000	612	0.57	17,100	684	0.57	12,900	538	0.58
35	Tax Credit Fees	20,000	408	0.38	11,400	456	0.38	8,600	358	0.38
36	Soft Cost Contingency	20,000	408	0.38	11,400	456	0.38	8,600	358	0.38
37	Permanent Loan Origination Fee	0	0	0.00	0	0	0.00	0	0	0.00
38	Lender's Counsel's Fee	10,000	204	0.19	5,700	228	0.19	4,300	179	0.19
39	Other		0	0.00	0	0	0.00	0	0	0.00
	SYNDICATION COSTS									
40	Organizational (Partnership)	10,000	204	0.19	5,700	228	0.19	4,300	179	0.19
41	Bridge Loan Fees and Expenses	0	0	0.00	0	0	0.00	0	0	0.00
42	Syndication Consultant	0	0	0.00	0	0	0.00	0	0	0.00
43	Tax Opinion	10,000	204	0.19	5,700	228	0.19	4,300	179	0.19
	DEVELOPER'S FEES									
44	Developer's Fees	628,000	12,816	11.95	357,960	14,318	11.99	270,040	11,252	12.05
45	Other Partnership Fees		0	0.00	0	0	0.00	0	0	0.00
46	Consultant Fees	100,000	2,041	1.90	57,000	2,280	1.91	43,000	1,792	1.92
	RESERVES									
47	Working Capital	50,000	1,020	0.95	28,500	1,140	0.95	21,500	896	0.96
48	Rent-up (Deficit Escrow) Reserve	100,000	2,041	1.90	57,000	2,280	1.91	43,000	1,792	1.92
49	Other Operating Reserves	0		0.00	0	0	0.00	0	0	0.00
50	Sinking Fund		0	0.00	0	0	0.00	0	0	0.00
51	Replacement Reserves		0	0.00	0	0	0.00	0	0	0.00
	Subtotal - Soft Costs	1,462,548	29,848	27.83	833,652	33,346	27.92	628,896	26,204	28.06
	TOTAL DEVELOPMENT COSTS	6,945,330	141,741	132	3,958,838	158,354	133	2,986,492	124,437	133.24
	Cost Basis For Fee	6,067,330			3,458,378			2,608,952		
	Developer's Fee	728,000			414,960			313,040		
	Developer's Fee %	12.00%			12.00%			12.00%		
	Family percentage of s.f.	57%								
	Elderly percentage of s.f	43%								
	Total	100%								

		Budget	Acquisition Basis	Construction Basis	Total	Family	Elderly
	ACQUISITION						
1	Land	400,000					
2	Purchase of Building(s)	0					
3	Demolition (without replacement)	0					
4	Property Appraisal	5,000					
5	Legal - Title and Recording	2,500					
	Subtotal - Acquisition	407,500					
	CONSTRUCTION HARD COSTS						
6	Rehabilitation	0					
7	New Building(s)	4,375,282		4,375,282	4,375,282	2,493,911	1,881,371
8	Accessory Buildings	0					
9	Sitework	400,000		400,000	400,000	228,000	172,000
10	Commercial Space Costs (if any)	0					
11	General Requirements	0		0	0	0	0
12	Contractor Overhead	0		0	0	0	0
13	Contractor Profit	0		0	0	0	0
14	Construction Contingency	200,000		200,000	200,000	114,000	86,000
15	Construction Management	0		0	0	0	0
16	Construction Bond Fee	0		0	0	0	0
17	Hazardous Materials Abatement	0		0	0	0	0
18	Off-Site Improvements	0		0	0	0	0
19	Furnishings, Fixtures, & Equipment	100,000		100,000	100,000	57,000	43,000
20	Other (____________)	0					
	Subtotal - Hard Costs	5,075,282					
	SOFT COSTS						
21	Architectural	50,000		50,000	50,000	28,500	21,500
22	Engineering - in owner's equity	0		0	0		
23	Legal/Accounting	20,000		20,000	20,000	11,400	8,600
24	Relocation	0		0	0		
25	Environmental Assessment	0		0	0	0	0
26	Energy Assessment	0		0	0	0	0
27	Permits/Fees	160,000		160,000	160,000	91,200	68,800
28	Independent Market Study - in owner equity	0		0	0	0	0
29	Construction Period Insurance	30,000		30,000	30,000	17,100	12,900
30	Construction Interest	118,548		118,548	118,548	67,572	50,976
31	Construction Loan Origination Fee	56,000		56,000	56,000	31,920	24,080
32	Taxes During Construction	30,000		30,000	30,000	17,100	12,900
33	Clerk of the Works	20,000		20,000	20,000	11,400	8,600
34	Marketing	30,000					
35	Tax Credit Fees	20,000					
36	Soft Cost Contingency	20,000		20,000	20,000	11,400	8,600
37	Permanent Loan Origination Fee	0					
38	Lender's Counsel's Fee	10,000		10,000	10,000	5,700	4,300
39	Other	0		0	0	0	0
	SYNDICATION COSTS						
40	Organizational (Partnership)	10,000					
41	Bridge Loan Fees and Expenses	0					
42	Syndication Consultant	0					
43	Tax Opinion	10,000					
	DEVELOPER'S FEES						
44	Developer's Fees	628,000			628,000	357,960	270,040
45	Other Partnership Fees	0		0	0	0	0
46	Consultant Fees	100,000		100,000	100,000	57,000	43,000
	RESERVES						
47	Working Capital	50,000					
48	Rent-up (Deficit Escrow) Reserve	100,000					
49	Other Operating Reserves	0					
50	Sinking Fund	0					
51	Replacement Reserves	0					
	Subtotal - Soft Costs	1,462,548					
	TOTALS	6,945,330	0	5,689,830	6,317,830	3,601,163	2,716,667
LESS:	Amount of Non-qualified Financing						
LESS:	Adjustment for per unit cost limits						
LESS:	Historic tax Credit (Residential Portion)			0	0	0	0
	Total Eligible Basis		0	5,689,830	6,317,830	3,601,163	2,716,667
TIMES:	Adjusted for QCT/DDA	100.0%		5,689,830	6,317,830	3,601,163	2,716,667
TIMES:	Applicable Fraction	89.80%	0	5,109,235	5,673,154	3,457,117	2,150,695
	Total Qualified Basis		0	5,109,235	5,673,154	3,457,117	2,150,695
TIMES:	Applicable Percentage		3.25%	9.00%	9.00%	9.00%	9.00%
	Total Annual Credit Qualified		0	459,831	510,584	311,140	193,563

	Budget	Total	Family	Elderly
Total Tax Credits Requested	385,929	385,929	192,366	193,563
Estimated Net Syndication Proceeds **(excluding historic credit equity)**	2,817,282	2,817,282	1,404,275	1,413,006
Estimated Yield - Housing Credit Syndication	73.07%	73.07%	73.07%	73.07%
Equity Gap	2,817,282			
Credits Needed to fill Equity Gap	385,929			

Applicable Fra
89.80%
96.00%
79.17%

02-Dec-10 **Hawk's Meadow**

		Total					Family				Elderly			
HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent	Average Square Feet	Number	Average Rent	Total Annual Rent	Average Square Feet	Number	Average Rent	Total Annual Rent
0 Br						0				0				0
1 Br	60% median	641	19	748		170,544	641	0	748	0	641	19	748	170,544
2 Br	60% median	925	25	898		269,400	925	24	898	258,624	925	0	898	0
3Br	60% median	1,100	0	1,037		0	1,100	0	1,037	0	1,100	0	1,037	0
						0				0				0
	Totals	35,304	44			439,944	22,200	24		258,624	12,179	19		170,544
Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Average Rent	Utilities	Total Annual Rent	Square Feet	Number	Average Rent	Total Annual Rent	Square Feet	Number	Average Rent	Total Annual Rent
0 Br						0				0				0
1 Br		641	5	950		57,000	641	1	950	11,400	641	5	950	57,000
2 Br		925	0	1,100		0	925	0	1,100	0	925	0	1,100	0
3 Br		1,100	0	0		0	1,100	0	0	0	1,100	0	0	0
4+ Br			0	0		0		0	0	0		0	0	0
	Totals	3,205	5			57,000	641	1		11,400	3,205	5		57,000
All Units		38,509					22,841				15,384			
Common Area Square Footage		14,051					7,021				7,030			
	Grand Totals	52,560	49			496,944	29,862	25		270,024	22,414	24		227,544
		Less Vacancy	5.00%			(24,847)	Less Vacancy	5.00%		(13,501)	Less Vacancy	5.00%		(11,377)
					NET RENT	472,097			NET RENT	256,523			NET RENT	216,167
		OTHER INCOME					OTHER INCOME				OTHER INCOME			
		Laundry				8,000	Laundry			4,560	Laundry			3,440
		Parking				0	Parking			0	Parking			0
		Commercial Space Income				0	Commercial Space Income			0	Commercial Space Income			0
		Other				0	Other			0	Other			0
					TOTAL INCOME	480,097			TOTAL INCOME	261,083			TOTAL INCOME	219,607

02-Dec-10	**Hawk's Meadow**								
	Total		Per Unit	Family		Per Unit	Elderly		Per Unit
	Annual	Monthly	Per Month	Annual	Monthly	Per Month	Annual	Monthly	Per Month
Administration									
Management Fee	25,000	2,083	43	12,755	1,063	43	12,245	1,020	43
Supportive Services	0	0	0	0	0	0	0	0	0
Audit/Accounting	3,500	292	6	1,786	149	6	1,714	143	6
Legal		0	0	0	0	0	0	0	0
Compliance Monitoring	5,900	492	10	3,010	251	10	2,890	241	10
Marketing	1,500	125	3	765	64	3	735	61	3
Other - Salaries	2,100	175	4	1,071	89	4	1,029	86	4
TOTAL ADMINISTRATIVE	38,000	3,167	65	19,388	1,616	33	18,612	1,551	32
Utilities									
Electricity	25,000	2,083	43	12,755	1,063	43	12,245	1,020	43
Fuel	20,000	1,667	34	10,204	850	34	9,796	816	34
Water and Sewer	5,000	417	9	2,551	213	9	2,449	204	9
Fire Alarm / Emergency	2,000	167	3	1,020	85	3	980	82	3
Other		0	0	0	0	0	0	0	0
TOTAL UTILITIES	52,000	4,333	88	26,531	2,211	45	25,469	2,122	43
Maintenance									
Maintenance / Janitor Payroll	28,560	2,380	49	14,571	1,214	49	13,989	1,166	49
Janitor Supplies	1,020	85	2	520	43	2	500	42	2
Exterminating	136	11	0	69	6	0	67	6	0
Trash Removal	4,624	385	8	2,359	197	8	2,265	189	8
Snow Removal	5,440	453	9	2,776	231	9	2,664	222	9
Grounds	4,896	408	8	2,498	208	8	2,398	200	8
Repairs Material	4,080	340	7	2,082	173	7	1,998	167	7
Repairs Contract	4,080	340	7	2,082	173	7	1,998	167	7
HVAC Repairs / Maintenance	680	57	1	347	29	1	333	28	1
Elevator Contract / Repairs	2,040	170	3	1,041	87	3	999	83	3
Painting and Decorating	1,360	113	2	694	58	2	666	56	2
Other		0	0	0	0	0	0	0	0
TOTAL MAINTENANCE	56,916	4,743	97	29,039	2,420	49	27,877	2,323	47
Real Estate Taxes	36,500	3,042	62	18,622	1,552	62	17,878	1,490	62
Property Insurance	12,300	1,025	21	6,276	523	21	6,024	502	21
Replacement Reserves	26,460	2,205	45	13,500	1,125	45	12,960	1,080	45
Primary Debt Service	18,586	1,549	32	10,594	883	35	7,992	666	28
Other "must pay" debt service		0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0
Total	240,762	20,064	409	123,949	10,329	413	116,813	9,734	406
"Below-the-Line" Expenses:									
Special LP or GP Fee	0		$ 333	= per unit per month not including repl reserves or debt service					
Repayment of Deferred Fee	0								
Partnership Audit or K-1 Fee	0								
Distribution	0								
Net to Residual Recepits/Cumulative Cash Flow	240,762								
Elderly Units =	49%								
Family Units =	51%								

02-Dec-10	Hawk's Meadow															
Family																
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		270,024	274,074	278,185	282,358	286,594	290,893	295,256	299,685	304,180	308,743	313,374	318,074	322,846	327,688	332,604
Other Income		4,560	4,628	4,698	4,768	4,840	4,912	4,986	5,061	5,137	5,214	5,292	5,371	5,452	5,534	5,617
Vacancy and other losses		(13,501)	(13,704)	(13,909)	(14,118)	(14,330)	(14,545)	(14,763)	(14,984)	(15,209)	(15,437)	(15,669)	(15,904)	(16,142)	(16,384)	(16,630)
Total Operating Income		261,083	264,999	268,974	273,009	277,104	281,260	285,479	289,761	294,108	298,519	302,997	307,542	312,155	316,838	321,590
Operating Expenses																
Total Expenses (excl. Reserves)		99,855	102,851	105,936	109,114	112,388	115,759	119,232	122,809	126,493	130,288	134,197	138,223	142,369	146,641	151,040
Reserves		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629
Total Operating Expense		113,355	116,553	119,844	123,231	126,716	130,303	133,994	137,792	141,701	145,724	149,864	154,125	158,510	163,024	167,669
Net Operating Income		147,728	148,446	149,130	149,778	150,388	150,958	151,486	151,969	152,407	152,795	153,133	153,417	153,645	153,814	153,922
Less Primary Debt Service		128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963	128,963
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		18,764	19,482	20,166	20,814	21,424	21,994	22,522	23,006	23,443	23,832	24,170	24,454	24,682	24,851	24,958
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		18,764	19,482	20,166	20,814	21,424	21,994	22,522	23,006	23,443	23,832	24,170	24,454	24,682	24,851	24,958
DCR		115%	115.11%	115.64%	116.14%	116.61%	117.05%	117.46%	117.84%	118.18%	118.48%	118.74%	118.96%	119.14%	119.27%	119.35%
Cumulative Cash Flow																
Beginning Balance		0	(37,988)	(76,011)	(114,103)	(152,303)	(190,651)	(229,190)	(267,966)	(307,029)	(346,432)	(386,231)	(426,484)	(467,256)	(508,612)	(550,625)
Deposits		18,764	19,482	20,166	20,814	21,424	21,994	22,522	23,006	23,443	23,832	24,170	24,454	24,682	24,851	24,958
Interest	2.0%	188	(565)	(1,319)	(2,074)	(2,832)	(3,593)	(4,359)	(5,129)	(5,906)	(6,690)	(7,483)	(8,285)	(9,098)	(9,924)	(10,763)
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special LP or GP Fee		0														
Repayment of Deferred Devel. Fee		(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)	(34,802)
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Loan		(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)	(22,138)
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		(37,988)	(76,011)	(114,103)	(152,303)	(190,651)	(229,190)	(267,966)	(307,029)	(346,432)	(386,231)	(426,484)	(467,256)	(508,612)	(550,625)	(593,370)
Cumulative Replacement Reserves																
Beginning Balance		0	13,635	27,751	42,361	57,476	73,110	89,277	91,081	108,055	125,599	143,728	162,457	181,802	201,779	222,404
Deposits		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629
Interest	2.0%	135	414	701	998	1,306	1,624	1,804	1,991	2,337	2,693	3,062	3,443	3,836	4,242	4,493
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		13,635	27,751	42,361	57,476	73,110	89,277	91,081	108,055	125,599	143,728	162,457	181,802	201,779	222,404	226,897
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		147,728	148,446	149,130	149,778	150,388	150,958	151,486	151,969	152,407	152,795	153,133	153,417	153,645	153,814	153,922
Plus Reserves		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629
Less Interest Expense		(106,951)	(105,594)	(104,152)	(102,622)	(100,997)	(99,272)	(97,441)	(95,497)	(93,433)	(91,241)	(88,915)	(86,444)	(83,822)	(81,038)	(78,082)
Less Long Depreciation		(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)	(128,879)
Less Short Depreciation		(8,143)	(8,143)	(8,143)	(8,143)	(8,143)	(8,143)	(8,143)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(82,745)	(80,467)	(78,136)	(75,749)	(73,303)	(70,793)	(68,216)	(57,423)	(54,697)	(51,889)	(48,993)	(46,004)	(42,915)	(39,719)	(36,410)
Special GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		28,961	28,163	27,348	26,512	25,656	24,778	23,875	20,098	19,144	18,161	17,148	16,101	15,020	13,902	12,744
Plus Tax Credits		192,366	192,366	192,366	192,366	192,366	192,366	192,366	192,366	192,366	192,366					
After Tax Cash Flow		221,327	220,530	219,714	218,879	218,022	217,144	216,242	212,465	211,510	210,528	17,148	16,101	15,020	13,902	12,744

Elderly

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		227,544	230,957	234,422	237,938	241,507	245,130	248,806	252,539	256,327	260,172	264,074	268,035	272,056	276,137	280,279
Other Income		3,440	3,492	3,544	3,597	3,651	3,706	3,761	3,818	3,875	3,933	3,992	4,052	4,113	4,175	4,237
Vacancy and other losses		(11,377)	(11,548)	(11,721)	(11,897)	(12,075)	(12,256)	(12,440)	(12,627)	(12,816)	(13,009)	(13,204)	(13,402)	(13,603)	(13,807)	(14,014)
Total Operating Income		219,607	222,901	226,244	229,638	233,083	236,579	240,128	243,729	247,385	251,096	254,863	258,686	262,566	266,504	270,502
Operating Expenses																
Total Expenses (excl. Reserves)		95,861	98,737	101,699	104,750	107,892	111,129	114,463	117,897	121,434	125,077	128,829	132,694	136,675	140,775	144,998
Reserves		12,960	13,154	13,352	13,552	13,755	13,962	14,171	14,384	14,599	14,818	15,041	15,266	15,495	15,728	15,964
Total Operating Expense		108,821	111,891	115,051	118,302	121,648	125,091	128,634	132,280	136,033	139,895	143,870	147,960	152,170	156,503	160,962
Net Operating Income		110,786	111,010	111,194	111,336	111,435	111,488	111,494	111,449	111,352	111,201	110,993	110,725	110,396	110,002	109,540
Less Primary Debt Service		94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073	94,073
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		16,713	16,937	17,121	17,263	17,362	17,415	17,421	17,376	17,279	17,128	16,920	16,653	16,323	15,929	15,467
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash		16,713	16,937	17,121	17,263	17,362	17,415	17,421	17,376	17,279	17,128	16,920	16,653	16,323	15,929	15,467
DCR		118%	118.00%	118.20%	118.35%	118.46%	118.51%	118.52%	118.47%	118.37%	118.21%	117.99%	117.70%	117.35%	116.93%	116.44%
Cumulative Cash Flow																
Beginning Balance		0	(19,904)	(39,834)	(59,857)	(80,044)	(100,471)	(121,218)	(142,371)	(164,022)	(186,265)	(209,205)	(232,949)	(257,612)	(283,315)	(310,187)
Deposits		16,713	16,937	17,121	17,263	17,362	17,415	17,421	17,376	17,279	17,128	16,920	16,653	16,323	15,929	15,467
Interest	2.0%	167	(229)	(625)	(1,025)	(1,427)	(1,835)	(2,250)	(2,674)	(3,108)	(3,554)	(4,015)	(4,492)	(4,989)	(5,507)	(6,049)
Withdrawals:																
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special LP or GP Fee		0	146	265	358	422	457	460	431	368	270	135	(39)	(253)	(510)	(810)
Repayment of Deferred Devel. Fee		(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)	(26,254)
Repayment of Land Loan		(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)	(10,529)
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		(19,904)	(39,834)	(59,857)	(80,044)	(100,471)	(121,218)	(142,371)	(164,022)	(186,265)	(209,205)	(232,949)	(257,612)	(283,315)	(310,187)	(338,362)
Cumulative Replacement Reserves																
Beginning Balance		0	13,090	26,641	40,666	55,177	70,185	85,706	87,437	103,733	120,575	137,979	155,959	174,530	193,708	213,507
Deposits		12,960	13,154	13,352	13,552	13,755	13,962	14,171	14,384	14,599	14,818	15,041	15,266	15,495	15,728	15,964
Interest	2.0%	130	397	673	958	1,254	1,559	1,731	1,912	2,243	2,586	2,939	3,305	3,682	4,072	4,313
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		13,090	26,641	40,666	55,177	70,185	85,706	87,437	103,733	120,575	137,979	155,959	174,530	193,708	213,507	217,821
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		110,786	111,010	111,194	111,336	111,435	111,488	111,494	111,449	111,352	111,201	110,993	110,725	110,396	110,002	109,540
Plus Reserves		12,960	13,154	13,352	13,552	13,755	13,962	14,171	14,384	14,599	14,818	15,041	15,266	15,495	15,728	15,964
Less Interest Expense		(78,016)	(77,026)	(75,974)	(74,858)	(73,673)	(72,415)	(71,079)	(69,661)	(68,155)	(66,556)	(64,859)	(63,057)	(61,144)	(59,113)	(56,957)
Less Long Depreciation		(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)	(97,224)
Less Short Depreciation		(6,143)	(6,143)	(6,143)	(6,143)	(6,143)	(6,143)	(6,143)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(57,637)	(56,229)	(54,796)	(53,337)	(51,850)	(50,332)	(48,781)	(41,052)	(39,427)	(37,761)	(36,050)	(34,290)	(32,477)	(30,608)	(28,678)
Special GP Fee		0	146	265	358	422	457	460	431	368	270	135	(39)	(253)	(510)	(810)
Plus Tax Savings		20,173	19,680	19,179	18,668	18,147	17,616	17,073	14,368	13,800	13,216	12,617	12,001	11,367	10,713	10,037
Plus Tax Credits		193,563	193,563	193,563	193,563	193,563	193,563	193,563	193,563	193,563	193,563					
After Tax Cash Flow		213,736	213,388	213,006	212,588	212,132	211,635	211,096	208,362	207,730	207,049	12,752	11,962	11,114	10,203	9,227
Total Years	15															
Reinvestment Rate	12.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		213,736	213,388	213,006	212,588	212,132	211,635	211,096	208,362	207,730	207,049	12,752	11,962	11,114	10,203	9,227
Future Value of Cash Flows at Yr 15:		1,169,896	1,042,851	929,451	828,238	737,911	657,307	585,386	515,896	459,226	408,678	22,473	18,823	15,614	12,799	10,335

vhfa

Vermont Housing Finance Agency

TO: VHFA Board of Commissioners

FROM: Cynthia Reid, Senior Development Underwriter CR

DATE: November 23, 2010

RE: Request for Construction & Permanent Loans & Bond Housing Credits:
Depot II Apartments, Bethel

Name:	Depot II Apartments	**Location:**	Bethel
Housing Type:	Senior (4) Family (6)	**Unit Type:**	Flats (senior) Townhouses (family)
Unit Count:	10 units 10 tax credit units	**Unit Sizes:**	4 1-BR @ 678 s.f. 4 2-BR @ 877 s.f. 2 3-BR @ 1,032 s.f.
Total Cost:	$1,900,150	**Per S.F. Acquisition & Construction Cost:**	$148
Credits Requested:	$72,000 4% Credits	**Sponsor:**	Housing Foundation Inc.
Loans Requested:	$1,000,000 Construction $350,000 Permanent		
Other Funding: VHCB, HOME, VCDP, ARRA Energy Funds, Efficiency Vermont			

Summary of Request: Housing Foundation Inc. (HFI) is requesting $1,000,000 in tax-exempt construction financing, $350,000 in permanent financing, and $72,000 in 4% (bond) Housing Credits to re-develop 10 residential rental units for families and seniors in Bethel.

Recommendation: Staff recommends that the VHFA Board of Commissioners pass the attached resolution and make the required findings as outlined in the second section of the resolution ("It is hereby determined:"), and that the Board authorize the Executive Director to issue a Letter of Interest and/or a Commitment Letter to finance this property upon satisfactory completion of staff underwriting and due diligence; and authorize staff to issue the appropriate documentation according to the Qualified Allocation Plan.

Project Background: Depot II Apartments was built as a Section 8 New Construction project in 1980 by Judson Babcock. The property was purchased in 1993 by Bethel Housing Associates, a tax credit partnership with HFI as general partner, to preserve the housing from being sold on the open market. The rehab accomplished at that time was not substantial (less than $200,000). The development is now past its 15 year tax credit compliance period. HFI wants to re-syndicate the property in order to bring in equity to attend to much needed repairs.

The original Section 8 contract has expired and is being renewed at higher contract rents. VSHA has submitted a rent increase request and operating expense budget to VHFA for approval (VHFA is the Contract Administrator), both of which are higher than we typically see. Development staff underwrote the project using existing rents plus a 5% increase (which we believe to be a reasonable assumption) and lower than submitted (and in our experience reasonable) operating expenses according to other like-properties in our portfolio. The project cash flows using either scenario, therefore staff is bringing the more conservative scenario to the Board for loan and credit approvals, with the understanding that Management Staff will work with VSHA on an appropriate rent increase and operating expense budget.

The site consists of two buildings, one four-unit senior building and one six-unit family building. All units have rental assistance. Depot II Apartments is adjacent to the 15-unit Depot I Apartments for seniors. The two projects together are the only subsidized housing in Bethel. Depot II is located on Main Street in Bethel Village, close to services.

The scope of work includes: site improvements to drainage (it is an extremely wet site with poor drainage) and a new retaining wall, walkways and access, parking, energy improvements including insulation, a new efficient boiler system and solar domestic hot water, new siding, windows, doors, interior rehab of kitchens and baths.

Local (zoning and building) and state (Act 250 Administrative Amendment) permits are anticipated to be obtained in January.

VHCB, HOME, and Efficiency Vermont funding has been committed. VCDP funding is anticipated to be committed in December, and ARRA Energy funding is anticipated to be committed in January. Sources of repayment of the construction loan include: the permanent loan, tax credit equity, and VCDP.

Jeffrey Kantor is the development consultant and is working on placing the tax credit equity. Staff plans to apply for HUD Risk Share mortgage insurance for the permanent loan, and utilize the Treasury New Issue Bond Program to fund the loan.

The architect and engineer have been working together on the scope of work and cost estimates. Construction is anticipated to begin in April 2011 and be completed by October 2011. VSHA will manage the property and will provide service coordination for residents during and after rehab.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: CONSTRUCTION AND PERMANENT FINANCING AND PROPOSED USE OF BOND HOUSING CREDITS FOR DEPOT II APARTMENTS, TOWN OF BETHEL

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income, projects that qualify for financing with federally tax-exempt obligations, and projects where at least 20% of the units are for occupancy by persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by The Housing Foundation, Inc. (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition and rehabilitation of a total of ten (10) units of mixed senior and general occupancy rental housing in the Town of Bethel (the "Development"); and

WHEREAS, the application contemplates one or more mortgage loans for construction and permanent financing for the Development with the interest rate to be determined by the Agency depending on the source of funds, but not to exceed 150 basis points above the Agency's cost of funds; and

WHEREAS, the Sponsor qualifies and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated November 23, 2010, containing information, conditions and recommendations about the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for occupancy by persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, or there is a shortage of temporary transitional or emergency housing to be served by the proposed Development.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Letters of Interest declaring the Agency's interest in making one or more mortgage loans to the limited partnership to be created by the Sponsor for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Letter of Interest is not a commitment to finance and shall be conditional upon the availability of funds and the satisfactory completion of such further requirements as the Agency may establish in each case. The Letter of Interest may be used by the Sponsor in support of applications for operating subsidies, mortgage insurance, or for other purposes with the consent of the Agency.

2. Upon the satisfaction of the conditions attached to the Letter of Interest, if any, and when deemed appropriate, the Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more mortgage loans to the Borrower for the construction and permanent financing of the Development based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

3. The Executive Director and the Loan Review Committee will establish the final source and amount of the loan(s) for the Development, and such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act, and the applicable regulations and policies of the Agency, including the Underwriting Guidelines, and the conditions, if any, described in the Memorandum.

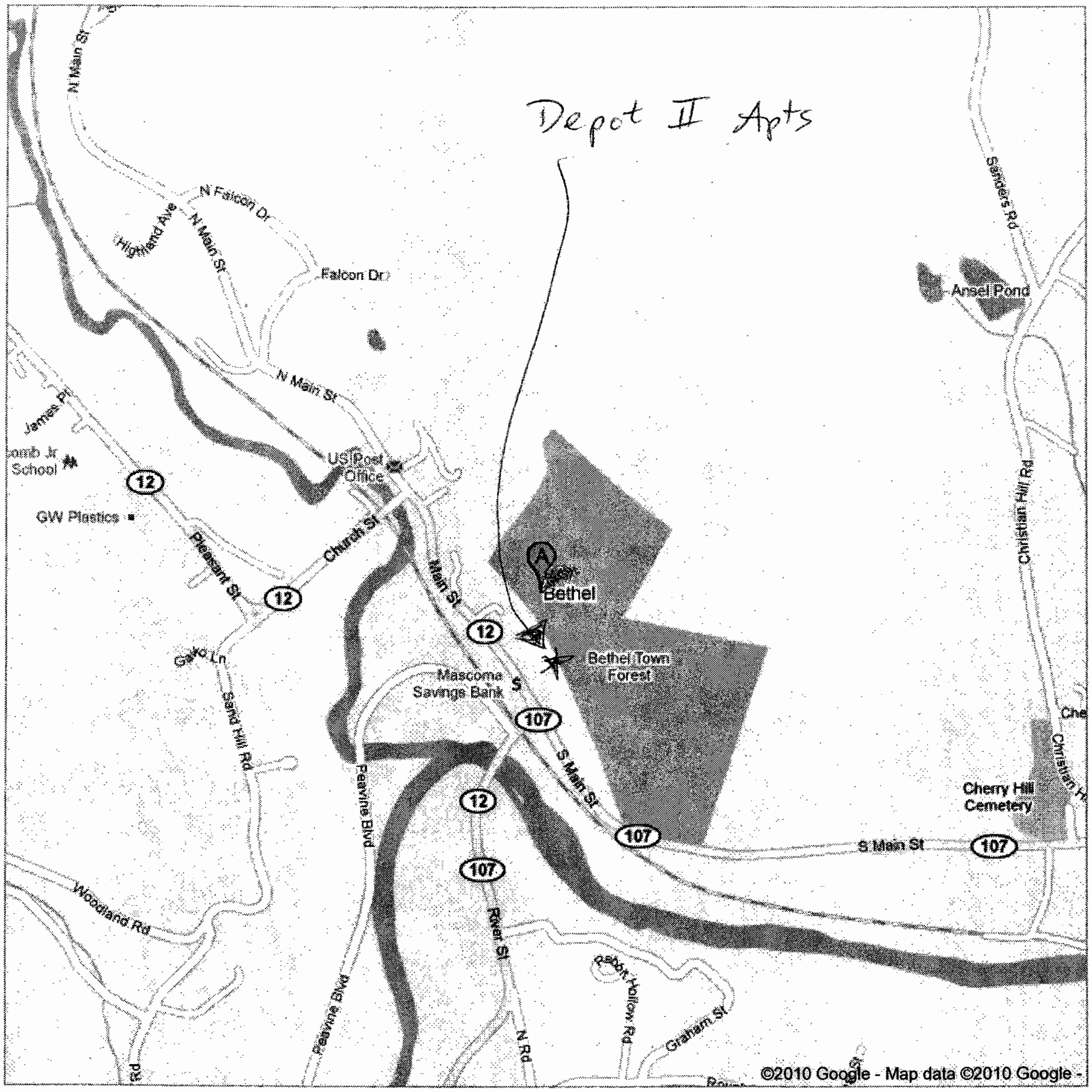
4. The recommendations for the use of Bond Housing Credits contained in the Memorandum which is attached and incorporated by this reference are hereby approved.

5. The Executive Director and the appropriate staff are hereby authorized to take such actions as are described in the 2009-2010 Qualified Allocation Plan regarding the use of Bond Housing Credits in an amount necessary for the Development's feasibility for the Depot II Apartments housing project in the Town of Bethel, Vermont.

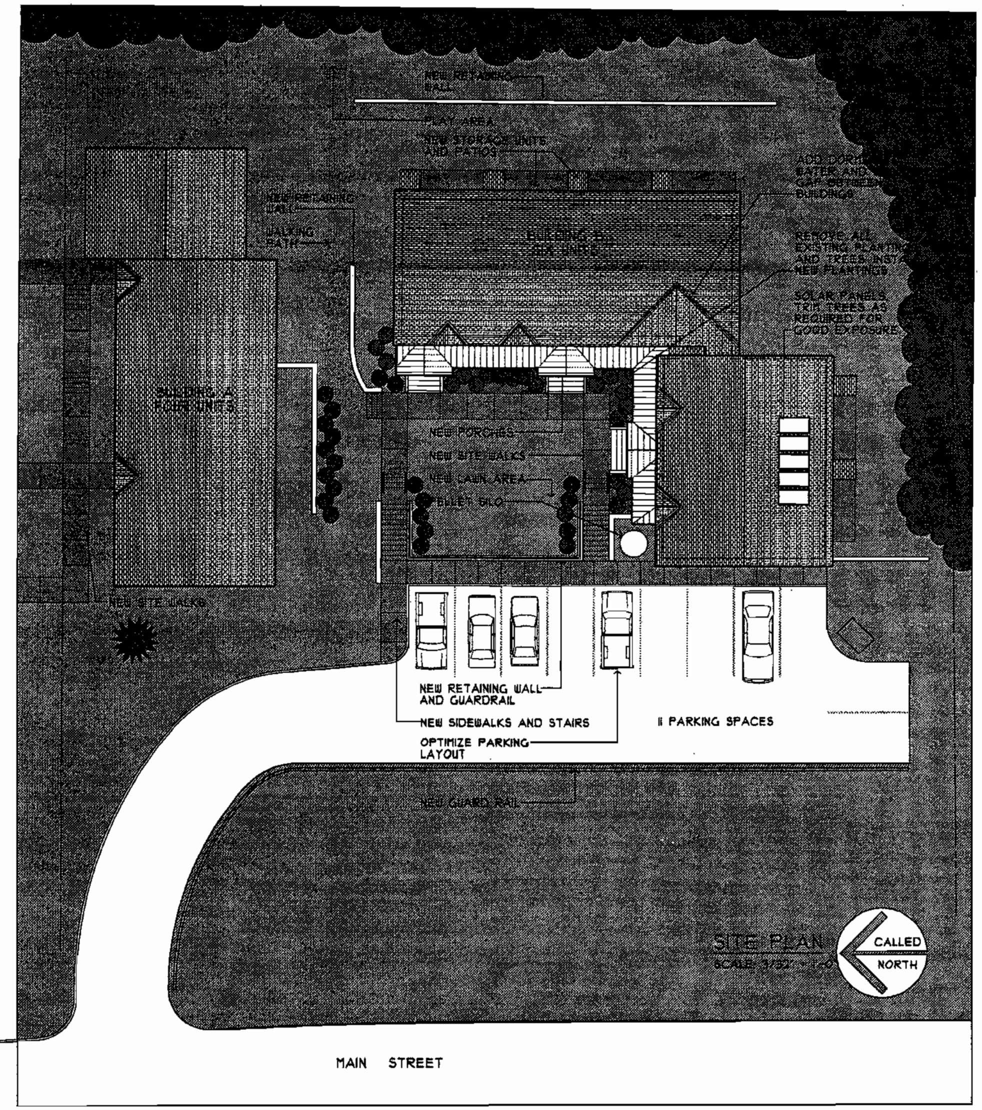
6. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

Print

Google maps Address **Bethel, VT 05032** Notes



CONCEPTUAL PERSPECTIVE



N·B·F
ARCHITECTS
24 1/2 Center St Rutland, Vermont 05701
Phone: 802 775-3168 Fax: 775-6085
e-mail: info@nbfarchitects.com

Depot II Renovations

Main Street
Bethel, Vermont

29-Nov-10 **Depot II Apartments, Bethel**

Total Residential Units:	10	Increase in Income from Rental Units:	1.85%	
Housing Credit Restricted Units:	10	Increase in Income from Other Sources:	1.75%	
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%	
Total Development Cost:	1,900,150	Expense increase:	3.00%	
Total Development Cost per Unit:	190,015	Vacancy Rate:	4%	
Total Development Cost Per SF:	206	Partner's Tax Rate:	35%	
		Long Depreciation Schedule:	40.0	years
Max Credit Potential:	72,035	Short Depreciation Schedule:	5	years
Credit Amount Allocated:	**72,000**	Sponsor's Estimated Yield:	76.47%	
VT State Credit	0			
LIHTC - 4%	3.24%			
LIHTC - 4%	3.24%	November 2010		

SOURCES		% of Total Development Cost	Interest Rate	Amortization	Term
Bank loan / VHFA NIBP	**350,000**	18.42%	5.25%	30	30
HOME	462,230	24.33%	0.00%	deferred	30
VHCB	107,820	5.67%	0.00%	deferred	30
Efficiency VT	7,500	0.39%		Cap Contribution	
Energy Block Grants funds	70,000	3.68%	0.00%	deferred	30
VCDP	300,000	15.79%	0.00%	deferred	30
Project Reserves	37,600	1.98%		cash non basis	
Deferred Fee/Dev Loan	15,000	0.79%	0.00%	deferred	10
Tax Credit Equity LP	550,000	28.95%	N/A	N/A	
	1,900,150	100.00%			

USES		
Acquisition	160,900	8.47%
Construction Hard Costs	1,205,250	63.43%
Soft Costs	534,000	28.10%
TOTAL USES	1,900,150	100.00%

		Rate	Term (months)	Interest
Gap	0			
VHFA Construction Loan	**1,000,000**	4.00%	11	18,333

General Partner's Capital Contribution	551	0.10%
Limited Partner's Capital Contribution	550,000	99.90%
Total Equity	550,551	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	10
Total Units	10
Unit Fraction	100.00%
Tax Credit Square Footage	8,284
Total Residential Square Footage	8,284
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

29-Nov-10 **Depot II Apartments, Bethel**

Total Project	Budget	Per Unit	Per s.f.	VHCB Terms:	HOME	VCDP	Bank Loan	Equity	Energy Def Fee & REEP,Rervs
ACQUISITION									
1 Land	30,000	3,000	3.26	30,000					
2 Purchase site improvements	121,600	12,160	13.21	77,820			43,780		
3 Demolition (without replacement)		0	0.00						
4 Property Appraisal	2,800	280	0.30				2,800		
5 Legal - Title and Recording	6,500	650	0.71		6,500				
Subtotal - Acquisition	160,900	16,090	17.48						
CONSTRUCTION HARD COSTS									
6 New Construction	860,000	86,000	93.43		219,730	300,000	150,020	182,750	7,500
7 Energy efficiency/Solar HW	70,000	7,000	7.60						70,000
8 Accessory Buildings		0	0.00						
9 Sitework	162,250	16,225	17.63				89,400	72,850	
10 Commercial Space Costs (if any)		0	0.00						
11 General Requirements		0	0.00						
12 Contractor Overhead & profit		0	0.00						
13 Contractor Profit		0	0.00						
14 Construction Contingency	95,000	9,500	10.32					95,000	
15		0	0.00						
16 Construction Bond Fee		0	0.00						
17 Hazardous Materials Abatement		0	0.00						
18 Off-Site Improvements		0	0.00						
19 Furnishings, Fixtures, & Equipment	18,000	1,800	1.96					18,000	
20		0	0.00						
Subtotal - Hard Costs	1,205,250	120,525	130.93						
SOFT COSTS									
21 Architectural / Engineering	85,000	8,500	9.23		85,000				
22 Survey	3,500	350	0.38				3,500		
23 Legal	18,000	1,800	1.96		18,000				
24 Cost Certification audit	6,000	600	0.65					6,000	
25 Environmental Assessment	2,500	250	0.27		2,500				
26 Civil Engineering	21,000	2,100	2.28		21,000				
27 Permits/Fees	10,500	1,050	1.14		10,500				
28 Taxes - Insurance	7,000	700	0.76				7,000		
29 Compaction/Testing	4,500	450	0.49		1,000		1,000	2,500	
30 Independent Market Study	1,000	100	0.11		1,000				
31 Relocation	52,725	5,273	5.73		5,000		18,725	29,000	
32 Construction Interest	25,000	2,500	2.72					25,000	
33 VHFA Loan Origination Fee	5,250	525	0.57		4,000		1,250		
34 VCDP Admin	3,500	350	0.38				3,500		
35 VHFA Inspection Fee	6,000	600	0.65					6,000	
36 Marketing	500	50	0.05					500	
37 Tax Credit Fees	3,000	300	0.33				3,000		
38 Soft Cost Contingency	10,000	1,000	1.09					10,000	
39 VHFA Lender's Council Fee	4,000	400	0.43					4,000	
43 Capital Needs Assessment	2,500	250	0.27					2,500	
SYNDICATION COSTS									
44 Organizational (Partnership)	1,000	100	0.11					1,000	
45 Bridge Loan Fees and Expenses	11,025	1,103	1.20				1,025	10,000	
46 Syndication Consultant	2,500	250	0.27					2,500	
47 Bond fee permanent loan	15,000	1,500	1.63				15,000		
DEVELOPER'S FEES									
48 Developer's Fees	100,000	10,000	10.86		60,000		10,000	30,000	
49 Deferred Fee	15,000	1,500	1.63						15,000
50 Consultant Fees	58,000	5,800	6.30		28,000			30,000	
RESERVES									
51 Working Capital		0	0.00						
52 Rent-up (Deficit Escrow) Reserve		0	0.00						
53 Replacement Reserves	35,000	3,500	3.80					12,400	22,600
54 Operating Reserve	25,000	2,500	2.72					10,000	15,000
55 Replacement Reserves		0	0.00						
Subtotal - Soft Costs	534,000	53,400	58.01						
TOTAL DEVELOPMENT COSTS	1,900,150	190,015	206.43	107,820	462,230	300,000	350,000	550,000	130,100

		Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Other
	ACQUISITION						
1	Land	30,000					
2	Purchase site improvements	121,600	121,600		121,600		
3	Demolition (without replacement)	0			0		
4	Property Appraisal	2,800	2,800		2,800		
5	Legal - Title and Recording	6,500	6,500		6,500		
	Subtotal - Acquisition	160,900					
	CONSTRUCTION HARD COSTS						
6	New Construction	860,000		860,000	860,000		
7	Energy efficiency/Solar HW	70,000		70,000	70,000		
8	Accessory Buildings	0		0	0		
9	Sitework	162,250		162,250	162,250		
10	Commercial Space Costs (if any)	0					
11	General Requirements	0		0	0		
12	Contractor Overhead & profit	0		0	0		
13	Contractor Profit	0		0	0	0	
14	Construction Contingency	95,000		95,000	95,000		
15	0	0		0	0		
16	Construction Bond Fee	0		0	0		
17	Hazardous Materials Abatement	0		0	0		
18	Off-Site Improvements	0		0	0	0	
19	Furnishings, Fixtures, & Equipment	18,000		18,000	18,000	0	
20	0	0		0	0	0	
	Subtotal - Hard Costs	1,205,250					
	SOFT COSTS						
21	Architectural / Engineering	85,000		85,000	85,000		
22	Survey	3,500		3,500	3,500		
23	Legal	18,000		18,000	18,000		
24	Cost Certification audit	6,000		6,000	6,000		
25	Environmental Assessment	2,500		2,500	2,500		
26	Civil Engineering	21,000		21,000	21,000	0	
27	Permits/Fees	10,500		10,500	10,500		
28	Taxes - Insurance	7,000		7,000	7,000		
29	Compaction/Testing	4,500		4,500	4,500		
30	Independent Market Study	1,000		1,000	1,000		
31	Relocation	52,725		52,725	52,725		
32	Construction Interest	25,000		25,000	25,000		
33	VHFA Loan Origination Fee	5,250					
34	VCDP Admin	3,500		3,500	3,500		
35	VHFA Inspection Fee	6,000		6,000	6,000		
36	Marketing	500					
37	Tax Credit Fees	3,000					
38	Soft Cost Contingency	10,000		10,000	10,000		
39	VHFA Lender's Council Fee	4,000		4,000	4,000		
43	Capital Needs Assessment	2,500					
	SYNDICATION COSTS						
44	Organizational (Partnership)	1,000					
45	Bridge Loan Fees and Expenses	11,025					
46	Syndication Consultant	2,500					
47	Bond fee permanent loan	15,000					
	DEVELOPER'S FEES						
48	Developer's Fees	100,000		100,000	100,000		
49	Deferred Fee	15,000		15,000	15,000		
50	Consultant Fees	58,000		58,000	58,000		
	RESERVES						
51	Working Capital	0					
52	Rent-up (Deficit Escrow) Reserve	0					
53	Replacement Reserves	35,000					
54	Operating Reserve	25,000					
55	Replacement Reserves	0					
	Subtotal - Soft Costs	534,000					
	TOTALS	1,900,150	130,900	1,638,475	1,751,375	0	
	LESS: Amount of Non-qualified Financing		37,600		37,600	0	
	LESS: Adjustment for per unit cost limits	100.00%		0			
	LESS: Historic tax Credit (Residential Portion)			0	0	20% Historic Credit Rate	
	Total Eligible Basis		93,300	1,638,475		0 Annual Historic Credit	
	TIMES: Adjusted for QCT/DDA	130.00%		2,130,018			
	TIMES: Applicable Fraction	100.00%	93,300	2,130,018			
	Total Qualified Basis		93,300	2,130,018	1,713,775	Long Term Depreciable Basis	
	TIMES: Applicable Percentage		3.24%	3.24%	40.0	Depreciation Schedule	
	Total Annual Credit Qualified		3,023	69,013	42,844	Annual Depreciation	
	Total Tax Credits Requested	72,000		72,035	18,000	Short Term Depreciable Basis	
	Estimated Net Syndication Proceeds **(excluding historic credit equity)**	550,000			5	Depreciation Schedule	
	Estimated Yield - Housing Credit Syndication	76.47%			3,600	Annual Depreciation	
	Equity Gap	550,000					
	Credits Needed to fill Equity Gap	72,000					

0.00

29-Nov-10 **Depot II Apartments, Bethel**

HC Units	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br		678	4	882	0	42,336
2 Br		877	4	956	0	45,864
3 Br		1,032	2	1,078	0	25,880
Non HC Units						0
1 Br					0	0
Storage					0	
Common Space		921				
	Totals	9,205	10			114,080

Less Vacancy	4.00%	(4,563)
NET RENT		109,517

OTHER INCOME

Laundry		1,651
Interest		
Commercial Space Income		0
Other	Servuce Coordinator HUD Grant	6,510
TOTAL INCOME		117,678

29-Nov-10

Depot II Apartments, Bethel

		Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	1	1		1	1	1	1			1	678	882	29	911	1						1					
	2	1		1	1	1		1		1	678	882	29	911		1					1					
	3	1		1	1	1		1		1	678	882	29	911	1						1					
	4	1		1	1	1		1		1	678	882	29	911	1						1					
2	5	1		1	1	1				2	877	956	44	1,000	vacant						1					
	6	1		1	1	1				2	877	956	44	1,000		1					1					
	7	1		1	1	1				2	877	956	44	1,000	1						1					
	8	1		1	1	1				2	877	956	44	1,000	1						1					
	9	1		1	1	1				3	1,032	1,078	59	1,137		1					1					
	10	1		1	1	1				3	1,032	1,078	59	1,137	1						1					
		10	0	10	10	10	1	3	0		8,284	9,508			6	3	0	0	0	0	10	0	0	0	0	0

form revision date: 2/27/97

29-Nov-10 **Depot II Apartments, Bethel**

	Annual	Monthly	Per Unit Per Month		
Administration					
Management Fee	7,080	590	59	6.0%	
Office salaries					
Audit/Accounting	2,475	206	21		
Manager Salary	2,240	187	19		
Service Coordinator	6,510	543	54	paid by HUD Grant	6,510
Legal	1,500	125	13		
LIHTC compliajce monitoring	720	60	6		
Marketing	75	6	1		
Other	1,000	83	8	office phone, mileage	
TOTAL ADMINISTRATIVE	21,600	1,800	180		
Utilities					
Electricity	6,500	542	54		
Fuel	9,100	758	76		
Water and Sewer	6,700	558	56		
Fire Alarm / Emergency	800	67	7		
Other		0	0		
TOTAL UTILITIES	23,100	1,925	193		
Maintenance					
Maintenance / Janitor Payroll	12,287	1,024	102		
Maintenance Overhaed					
janitor supplies	1,000	83	8		
Trash Removal	2,533	211	21		
Snow Removal	2,500	208	21		
Grounds	200	17	2		
Repairs Material	2,200	183	18		
Repairs Contract	2,200	183	18		
Elevator Contract / Repairs		0	0		
Painting and Decorating	1,184	99	10		
Other Common Area Fee		0	0		
TOTAL MAINTENANCE	24,104	2,009	201		
				per unit month excl. ds & res. 614	
Real Estate Taxes	7,406	617	62		
Property Insurance	2,531	211	21		
Replacement Reserves	6,000	500	50		
Primary Debt Service		0	0		
Other "must pay" debt service		0	0		
WCins-health ins, other	1,500	125	13		
Total	86,241	7,187	719		

form revision date: 2/27/97

29-Nov-10 **Depot II Apartments, Bethel**

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		114,080	116,191	118,340	120,530	122,760	125,031	127,344	129,699	132,099	134,543	137,032	139,567	142,149	144,779	147,457
Other Income		8,161	8,283	8,408	8,534	8,662	8,792	8,924	9,057	9,193	9,331	9,471	9,613	9,757	9,904	10,052
Vacancy and other losses		(4,563)	(4,648)	(4,734)	(4,821)	(4,910)	(5,001)	(5,094)	(5,188)	(5,284)	(5,382)	(5,481)	(5,583)	(5,686)	(5,791)	(5,898)
Total Operating Income		117,678	119,827	122,014	124,242	126,511	128,821	131,173	133,569	136,008	138,492	141,022	143,597	146,220	148,891	151,611
Operating Expenses																
Total Expenses (excl. Reserves)		80,241	82,648	85,128	87,682	90,312	93,021	95,812	98,686	101,647	104,696	107,837	111,072	114,404	117,837	121,372
Reserves		6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860	6,963	7,068	7,174	7,281	7,391
Sub-Total Operating Expense		86,241	88,738	91,309	93,956	96,680	99,485	102,373	105,345	108,406	111,557	114,800	118,140	121,578	125,118	128,762
Total Operating Expense		86,241	88,738	91,309	93,956	96,680	99,485	102,373	105,345	108,406	111,557	114,800	118,140	121,578	125,118	128,762
Less Mortgage Insurance fee		(875)	(863)	(850)	(836)	(822)	(806)	(790)	(773)	(756)	(737)	(717)	(696)	(674)	(651)	(627)
Net Operating Income		30,562	30,226	29,856	29,451	29,009	28,530	28,011	27,450	26,847	26,199	25,504	24,761	23,968	23,122	22,222
Less Primary Debt		23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193	23,193
Annual Cash Flow		7,370	7,033	6,663	6,258	5,817	5,337	4,818	4,258	3,654	3,006	2,312	1,569	775	(70)	(970)
GP Admin Fee		(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)
Net Cash		5,850	5,513	5,143	4,738	4,297	3,817	3,298	2,738	2,134	1,486	792	49	(745)	(1,590)	(2,490)
DCR		131.78%	130.33%	128.73%	126.98%	125.08%	123.01%	120.77%	118.36%	115.76%	112.96%	109.97%	106.76%	103.34%	99.70%	95.82%
Cumulative Cash Flow																
Beginning Balance		25,000	31,037	36,783	42,202	47,257	51,908	56,115	59,833	63,020	65,627	67,605	68,904	69,469	69,246	68,175
Deposits after Return		5,850	5,513	5,143	4,738	4,297	3,817	3,298	2,738	2,134	1,486	792	49	(745)	(1,590)	(2,490)
Interest	1.5%	188	233	276	317	354	389	421	449	473	492	507	517	521	519	511
Withdrawals																
Ending Balance		31,037	36,783	42,202	47,257	51,908	56,115	59,833	63,020	65,627	67,605	68,904	69,469	69,246	68,175	66,196
Cumulative Replacement Reserves																
Beginning Balance		35,000	41,045	47,443	53,980	60,659	63,982	70,926	71,518	78,714	83,063	77,546	69,491	66,580	63,753	61,013
Deposits		6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860	6,963	7,068	7,174	7,281	7,391
Interest	1.5%	45	308	356	405	455	480	532	536	590	623	582	521	499	478	458
Withdrawals		0				(3,500)		(6,500)		(3,000)	(13,000)	(15,600)	(10,500)	(10,500)	(10,500)	(29,000)
Ending Balance		41,045	47,443	53,980	60,659	63,982	70,926	71,518	78,714	83,063	77,546	69,491	66,580	63,753	61,013	39,861
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		30,562	30,226	29,856	29,451	29,009	28,530	28,011	27,450	26,847	26,199	25,504	24,761	23,968	23,122	22,222
Plus Reserves		6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860	6,963	7,068	7,174	7,281	7,391
GP Admin Fee		(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)	(1,520)
Less Interest Expense		(29,282)	(17,992)	(17,712)	(17,418)	(17,107)	(16,780)	(16,435)	(16,071)	(15,688)	(15,285)	(14,859)	(14,411)	(13,939)	(13,441)	(12,917)
Less Long Depreciation		(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)	(42,844)
mid tern depreciation																
Less Short Depreciation		(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	0	0	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(40,685)	(29,641)	(29,639)	(29,657)	(29,694)	(26,151)	(26,228)	(26,326)	(26,447)	(26,590)	(26,756)	(26,947)	(27,162)	(27,402)	(27,669)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		14,240	10,374	10,374	10,380	10,393	9,153	9,180	9,214	9,256	9,306	9,365	9,431	9,507	9,591	9,684
Plus Tax Credits		72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000					
After Tax Cash Flow		86,240	82,374	82,374	82,380	82,393	81,153	81,180	81,214	81,256	81,306	9,365	9,431	9,507	9,591	9,684

vhfa
Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners; Other Interested Parties

FROM: Cynthia Reid, Senior Development Underwriter CR

RE: December 2010 TCAP Awards

DATE: December 1, 2010

Summary:

Staff received three applications for the $691,546 of remaining Tax Credit Assistance Program (TCAP) funds available. All three projects meet the criteria set out in the "TCAP Competitive Priorities" included for reference at the end of this memo. All three projects will meet VHFA green building standards. Following details the requests and staff recommendation.

Summary of Recommendations:

Staff recommends funding all three projects with TCAP, as follows:

Project	Location	Amount Requested	Amount Recommended
Grand Way Commons II	South Burlington	$80,000	**$80,000**
Salisbury Square	Randolph	$89,000	**$89,000**
Vergennes Senior	Vergennes	$691,546	**$522,546**
Total			**$691,546**

Project Summaries:

Grand Way Commons II, South Burlington

This 28-unit service-enriched senior housing development received a commitment of 4% credits, tax exempt construction financing and TCAP in July 2009. Construction is ahead of schedule and is nearly completed. When the project sponsor received notice of TCAP availability, they submitted a request for an additional $80,000 in TCAP, which would help them leverage another $70,000 in funding for the installation of a solar photovoltaic PV) system. Thirty percent of the cost of the solar PV system would come from the Vermont Small Scale Solar program. The sponsors also plan to utilize the federal 1603 solar credit exchange program, which requires that construction on the solar system begin before the end of 2010. The sponsor has obtained pricing for the work, and if the $80,000 TCAP funding is awarded, can begin work immediately. The solar system had not been included earlier in the scope of work, for lack of resources. The sponsor would qualify for the GMP program that pays 6 cents per kilowatt hour used in a net-metered situation. Receipt of the TCAP award will allow the sponsors to leverage other funds toward the total cost, lower the project's electric costs, and generate a small amount of income to buffer the operating costs. Construction of the solar system will be completed by June 2011, and the TCAP funds would be used immediately.

TCAP Priorities: The project meets four top tier priorities: it is new construction in a low vacancy area; it's close to a designated downtown; it removes blight; it provides service enriched housing.

Salisbury Square, Randolph

This 14-unit general occupancy project first received an award of 9% credits in June 2008. The development has had a challenging start due to several factors: the site is a "brownfield" requiring clean-up (some of which has been accomplished); the original proposal included for-sale homes and stand-alone rental housing but due to market conditions, the for-sale portion of the development has been put on hold; the town infrastructure requirements have increased the cost of site-work; and the sponsors had a difficult time placing the equity. The project is now ready to close and begin construction, with all permits in hand, and all but $89,000 in funding committed. An approval of $89,000 in TCAP funds will move the project to closing. Construction bids have been submitted. The closing is anticipated for mid-December. The TCAP funds will be disbursed at closing for eligible expenses. Construction will be completed by December 2011.

TCAP Priorities: The project meets four upper tier priorities: it is infill new construction in a low vacancy community; it is family housing; the location is near a designated downtown; it removes blight.

Vergennes Senior Housing

This project received an award of $410,000 in 9% Credits in June 2008 plus State Credits totaling $40,000 awarded at two different Board meetings. Since that time, the sponsors applied for HUD 202 funding twice and received a commitment on the second try. The project has all of its permits and nearly all of its funding, and is anticipating a closing in January 2011. Housing Vermont purchased the property in 2005. In the time it took to get to closing, construction costs rose, equity prices decreased, and equity became more difficult to obtain. Their Construction Management firm, Bread Loaf Corp., recently went out to bid for all of the subcontractors. The Guaranteed Maximum Price is higher than originally budgeted over two years ago. The sponsors were able to secure an equity investment from People's United for $355,000 of the $410,000 in Credits. When the announcement of TCAP availability was made, the sponsors applied for the total amount of TCAP, or $691,546, to fill the gap. However, staff worked with the sponsors for alternatives such that all three projects seeking TCAP could be funded. The sponsors have agreed to a lower amount of TCAP and instead, to apply for an enhancement to their Vermont Community Development Program (VCDP) award for the remaining gap. The VCDP program has funds available for which Vergennes is eligible to apply, and the funding decision will be made on December 8th. HVT is in a position to return up to $55,000 in credits, contingent obtaining $522,546 in TCAP, an enhancement of VCDP funding, and a subscription letter from People's United. Construction closing will occur at the end of January, at which time the TCAP funds will be fully disbursed for acquisition and pre-development expenses to date. Construction will begin in April in order to save on the expense that winter conditions would pose.

TCAP Priorities: The project meets two top tier priorities and two lower tier priorities: it is located in a community with a lack of affordable housing stock; it is close to a designated downtown; it is 20% mixed income; and it serves households < 30% of area median income with the HUD 202 rental assistance.

Tax Credit Assistance Program (TCAP)

Competitive Priorities; Procedures to Commit and Expend Funds / Redistribution of Funds

Competitive Priorities

Developments that meet the following priorities will be given most weight for TCAP funds, in descending order:

1. Any developments that at one time had all permanent sources committed, are currently under construction, and now have a funding shortfall for any reason.
2. After the announcement of funding decisions from VHCB and DHCA at their June and July 2009 meetings, any developments that: 1) have sought all anticipated funding from sources including but not limited to VHCB's programs and DHCA's programs; 2) still have a funding gap; and 3) seem (but for that funding gap) more likely than not to begin construction in calendar year 2009, in VHFA staff's sole determination.
3. Any developments for which the sponsor has site control, has a preliminary plan for the development, and has at least one permanent funding source committed. (A letter of intent or letter of interest from a housing credit syndicator or investor does not constitute a permanent funding commitment.)

In moving down the list of competitive priorities in order, if there are two or more applications whose combined needs exceed available TCAP funds in the same competitive priority category, VHFA staff will consider first the number of priorities and evaluation criteria outlined in the QAP that the developments meet, and second the projects' earliest likely construction start dates.

Vermont defines a project as having received an award of credits as the date the VHFA Board of Commissioners has passed a resolution that approves either: 1) an allocation of ceiling credits, or 2) "exempt facilities" tax-exempt bond financing in an amount sufficient to qualify the development for the Section 42(h)(4) "automatic" Housing Credits. Any project that has had either action between October 1, 2006 and September 30, 2009, is potentially eligible for TCAP funds. TCAP funds can be awarded after or simultaneous to approval of allocated Housing Credits (or approval of tax-exempt bond financing that generates the "automatic" Housing Credits).

Procedures to Commit and Expend Funds / Redistribution of Funds

- Publish notice of funding in June 2009
- Receive applications in July 2009
- Perform Environmental Reviews
- Obtain Board approval in July, August or September 2009 – only projects that in staff's sole determination seem likely to be placed in service by 2/16/2012 will be recommended to the Board for approval.
- If applications total less than available funds, all requests will be awarded, based on staff determination of eligibility and funding amounts; otherwise, competitive priorities will be followed to the extent that funding allows. VHFA intends to commit at least 75% of the TCAP funds in this round.
- All awards will have a 2/28/10 construction start deadline. Failure to meet this deadline will mean TCAP commitment is automatically revoked and funds are returned to VHFA for reallocation.
- Hold a second round in April 2010, if any uncommitted TCAP funding remains. Same TCAP competitive priorities, 7/31/2010 deadline for construction start for the 4/2010 round.

- VHFA may condition an award of TCAP funds on the sponsor spending TCAP before other sources in order to meet the statutory goal of spending 75% of the TCAP funds in the aggregate by 2/16/2011.
- Any funds not disbursed by 2/16/2012 will be returned to HUD.
- Within the ARRA statutory deadlines, VHFA staff can grant TCAP recipients reasonable extensions to any dates or deadlines listed above.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: TCAP FINANCING FOR GRAND WAY COMMONS II, CITY OF SOUTH BURLINGTON

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Cathedral Square Corporation (the "Sponsor") on behalf of GWC II Limited Partnership in which CSC Partners, Inc., a subsidiary or affiliate of the Sponsor, is the general partner (the "Borrower") involving the new construction of twenty-eight (28) units of senior rental housing in the City of South Burlington (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the priorities for the Tax Credit Assistance Program (also known as "TCAP") have been properly adopted and accepted in the form of the TCAP Grant Agreement between the Agency and the U.S. Department of Housing and Urban Development ("HUD") dated June 24, 2009; and

WHEREAS, the Agency previously authorized a TCAP award to the Sponsor for the Development in the amount of $2,260,000.00 and the Sponsor has requested that the amount of this award be increased by $80,000.00 to $2,340,000.00; and

WHEREAS, the TCAP funds will be used for one or more zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Sponsor and the Borrower qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated December 1, 2010, containing information, conditions and recommendations about the TCAP financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower is also qualified as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more zero percent (0%) mortgage loans for the financing of the Development using TCAP funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act and the TCAP, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of TCAP funds available for the Development shall not exceed $2,340,000.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and the TCAP, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: TCAP FINANCING FOR SALISBURY SQUARE, TOWN OF RANDOLPH

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Randolph Area Community Development Corporation (the "Sponsor") on behalf of a to be formed limited partnership in which the Sponsor or its subsidiary or affiliate will be the general partner (the "Borrower") involving the acquisition, rehabilitation and new construction of a total of fourteen (14) units of general occupancy rental housing in the Town of Randolph (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the priorities for the Tax Credit Assistance Program (also known as "TCAP") have been properly adopted and accepted in the form of the TCAP Grant Agreement between the Agency and the U.S. Department of Housing and Urban Development ("HUD") dated June 24, 2009; and

WHEREAS, the TCAP funds will be used for one or more zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Sponsor qualifies and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated December 1, 2010, containing information, conditions and recommendations about the TCAP financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsor is financially responsible and is a qualified housing sponsor within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more zero percent (0%) mortgage loans for the financing of the Development using TCAP funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsor as the representative of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsor of all requirements of the Act and the TCAP, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of TCAP funds available for the Development shall not exceed \$89,000.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and the TCAP, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: TCAP FINANCING FOR VERGENNES SENIOR HOUSING, VERGENNES

WHEREAS, the Vermont Housing Finance Agency (the "Agency") is authorized by the Vermont Housing Finance Agency Act to issue bonds and borrow monies and to make loans to finance projects for persons and families of low and moderate income; and

WHEREAS, an application has been submitted to the Agency by Housing Vermont and Addison County Community Trust (the "Sponsors") on behalf of a to be formed limited partnership in which one or more of the Sponsors or their subsidiaries or affiliates will be general or co-general partner(s) (the "Borrower") involving the new construction of twenty-five (25) units of senior rental housing in the City of Vergennes (the "Development"); and

WHEREAS, the Agency administers the allocation and use of the federal Low Income Housing Tax Credits (both Allocated Housing Credits and Bond Housing Credits) and the Vermont Affordable Housing Tax Credits (both State Rental Credits and State Homeownership Credits) under the State's Qualified Allocation Plan; and

WHEREAS, the Governor of the State of Vermont has approved the 2009-2010 Qualified Allocation Plan, and, the priorities for the Tax Credit Assistance Program (also known as "TCAP") have been properly adopted and accepted in the form of the TCAP Grant Agreement between the Agency and the U.S. Department of Housing and Urban Development ("HUD") dated June 24, 2009; and

WHEREAS, the TCAP funds will be used for one or more zero percent (0%) mortgage loans to the Development; and

WHEREAS, the Sponsors qualify and the Borrower will qualify as housing sponsors within the meaning of the Vermont Housing Finance Agency Act (the "Act"); and

WHEREAS, the Agency has determined that the Development will assist in fulfilling the purposes of the Act and is financially feasible; and

WHEREAS, the Board of Commissioners has been presented with a memorandum from Cynthia Reid dated December 1, 2010, containing information, conditions and recommendations about the TCAP financing for the Development (the "Memorandum");

THEREFORE, it is hereby DETERMINED:

1. The Development is primarily for persons and families of low and moderate income, or qualifies for financing with proceeds of federally tax-exempt obligations, or at least 20 percent of the units are for occupancy by persons and families of low and moderate income.

2. The acquisition, construction or rehabilitation costs to be incurred by the housing sponsors are for housing development costs within the meaning of the Act.

3. There exists, or without the proposed residential housing there will exist, a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low and moderate income are able to afford within the general housing market area of the Development, and private enterprise and investment are unable, without assistance, to provide an adequate supply of the residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families.

4. The housing sponsors undertaking the Development will increase the supply of well-planned, well-designed permanent, temporary, transitional or emergency housing for persons and families of low and moderate income.

5. The security value of the Development will equal at least the amount of the Agency's loan(s).

6. The Sponsors are financially responsible and are qualified housing sponsors within the meaning of the Act. The Borrower will be required to qualify as a housing sponsor within the meaning of the Act.

WHEREFORE, it is hereby RESOLVED:

1. The Executive Director or her designees may, in his or her discretion, issue one or more Commitment Letters for one or more zero percent (0%) mortgage loans for the financing of the Development using TCAP funds based on the recommendations in the attached Memorandum. The Commitment Letter may be issued to the Sponsors as the representatives of the Borrower. The Commitment Letter shall be conditioned on the satisfaction by the Sponsors of all requirements of the Act and the TCAP, the applicable regulations of the Agency, and such further requirements as the Agency may establish.

2. The amount of TCAP funds available for the Development shall not exceed $522,546.00. The Executive Director and her designees will establish such conditions and terms that are appropriate for the Development in accordance with all requirements of the Act and the TCAP, and the applicable regulations and policies of the Agency, including the conditions, if any, described in the Memorandum.

3. The findings and determinations set forth above are hereby incorporated as if set forth fully in this place and shall be and constitute the duly adopted findings and determinations of the Board.

01-Dec-10 **Grandway II Senior Housing**

Total Residential Units:	28	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	28	Increase in Income from Other Sources:	1.50%
Percent Restricted:	100.00%	Increase in Income from Commercial:	0.00%
Total Residential Develpmnt Cost:	5,196,913	Expense increase:	3.00%
Total Res Dev Cost per Unit:	185,604	Vacancy Rate:	5%
Total Development Cost Per SF:	236	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	27.5 years
Max Credit Potential:	144,483	Short Depreciation Schedule:	5 years
Credit Amount Allocated:	**137,500**		
VT State Credit	**0**		
Historic Credit	0		
LIHTC - 4%	3.36%	Feb '10	

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
Development Fee Loan	40,000	0.74%	4.02%	15	15
VHCB Feasibility (GP Equity)	10,000	0.19%	0.00%		Cap Contribution
VHCB	300,000	5.56%	0.00%	30	deferred
Efficiency VT & VT Gas	21,690	0.40%	0	0	Cap Contribution
VCDP	600,000	11.12%	0	30	deferred
TCAP	**2,340,000**	43.36%	0	30	deferred
VHFA Credit 1602 Exchange	78,223	1.45%			Cap Contribution
HOME	307,000	5.69%	0	30	deferred
Farrell ST Senior HLP	195,000	3.61%	0	30	deferred
1603 energy Credit exchange	30,000	0.56%			Fed payment
Tax Credit Equity LP	1,275,000	23.62%	N/A	N/A	
	5,196,913	96.29%			

USES

Acquisition	758,500	14.60%		
Construction Hard Costs	3,218,573	61.93%		
Soft Costs	1,219,840	23.47%		
TOTAL USES	5,196,913	100.00%		
Gap	0		0	
VHFA Construction Loan	**2,600,000**	4.00%	47,667	11

VNA Office Space

Source:		
Farrell ST Senior Housing LP	200,000	Grant
Uses:		
Office Space cost	200,000	

General Partner's Capital Contribution	0	1.00%
Limited Partner's Capital Contribution	0	99.99%
Total Equity	0	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	28
Total Units	28
Unit Fraction	100.00%
Tax Credit Square Footage	22,900
Total Residential Square Footage	22,900
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

01-Dec-10 **Grandway II Senior Housing** 28

	Total Project	**Budget**	Total Per Unit	Per s.f.
	ACQUISITION			
1	Land	750,000	26,786	32.75
2	Site improvements in basis		0	0.00
3	Demolition (without replacement)		0	0.00
4	Property Appraisal	3,500	125	0.15
5	Legal - Title and Recording	5,000	179	0.22
	Subtotal - Acquisition	**758,500**	27,089	33.12
	CONSTRUCTION HARD COSTS			
6	New Construction	2,802,636	100,094	122.39
7	**Photo Volatic System (net cost)**	**110,000**	3,929	4.80
8	**Office Space - VNA**	**200,000**		
9	Sitework		0	0.00
10	Commercial Space Costs (if any)		0	0.00
11	General Requirements		0	0.00
12			0	0.00
13	Contractor Profit		0	0.00
14	Construction Contingency	219,437	7,837	9.58
15	Construction Management		0	0.00
16	Construction Bond Fee		0	0.00
17	Asbestos Abatement	30,000	1,071	1.31
18	Off-Site Improvements		0	0.00
19	Furnishings, Fixtures, & Equipment	56,500	2,018	2.47
20			0	0.00
	Subtotal - Hard Costs	**3,418,573**	122,092	149.28
21	Civil/Landscape Engineering	27,990		
22	Survey	4,500	161	0.20
23	Legal/Accounting	38,000	1,357	1.66
24	owners representatve	30,000	1,071	1.31
25	Environmental Assessment	4,200	150	0.18
26	Architectural / Engineering	228,000	8,143	9.96
27	Permits/Fees	50,000	1,786	2.18
28	Commissioning		0	0.00
29	Compaction/Testing/soils	5,850	209	0.26
30	Independent Market Study	3,175	113	0.14
31	Construction Period Insurance	17,300	618	0.76
32	Construction Interest	75,000	2,679	3.28
33	Loan Origination Fee	0	0	0.00
34	Taxes During Construction	8,000	286	0.35
35	Inspection Fee	6,000	214	0.26
36	Marketing	8,325	297	0.36
37	Tax Credit Fees	6,000	214	0.26
38	Soft Cost Contingency	15,000	536	0.66
39	VHFA Lender's Council Fee	7,500	268	0.33
40	VCDP administration	10,000	357	0.44
41	Relocation	25,000	893	1.09
42	Cost Cert IRS	6,500	232	0.28
43	Capital Needs Assessment		0	0.00
	SYNDICATION COSTS			
44	Organizational (Partnership)	3,500	125	0.15
45	Bridge Loan Fees and Expenses	15,000	536	0.66
46	Syndication Consultant	2,500	89	0.11
47	Tax Opinion	1,500	54	0.07
	DEVELOPER'S FEES			
48	Developer's Fees	482,000	17,214	21.05
49	deferred development fee		357	0.44
50	Consultant Fees	59,000	2,107	2.58
	RESERVES			
51	Working Capital		0	0.00
52	Rent-up (Deficit Escrow) Reserve	20,000	714	0.87
53	Operating Reserve	60,000	2,143	2.62
54	Sinking Fund (RA)		0	0.00
55			0	0.00
	Subtotal - Soft Costs	**1,219,840**	43,566	53.27
	TOTAL DEVELOPMENT COSTS	**5,396,913**	192,747	235.67

	0	Acquisition Basis	Construction Basis	Residential Depreciation	Historic Credit Basis	Commercial Other
ACQUISITION						
1 Land	750,000					
2 Site improvements in basis	0	0		0		
3 Demolition (without replacement)	0					
4 Property Appraisal	3,500	3,500		3,500		
5 Legal - Title and Recording	5,000	5,000		5,000		
Subtotal - Acquisition	758,500					
CONSTRUCTION HARD COSTS						
6 New Construction	2,802,636		2,802,636	2,802,636		
7 Photo Volatic System (net cost)	110,000		110,000	110,000		
8 Office Space - VNA						
9 Sitework	0		0	0		
10 Commercial Space Costs (if any)	0					
11 General Requirements	0		0	0		
12 0	0		0	0		
13 Contractor Profit	0		0	0	0	
14 Construction Contingency	219,437		219,437	219,437		
15 Survey	0		0	0		
16 Architectural/Engineering	0		0	0		
17 Asbestos Abatement	30,000		30,000	30,000		
18 Off-Site Improvements	0		0	0		
19 Furnishings, Fixtures, & Equipment	56,500		56,500	56,500	0	
20 0	0		0	0	0	
Subtotal - Hard Costs	3,218,573					
0						
21 Civil/Landscape Engineering	27,990		27,990	27,990		
22 Survey	4,500		4,500	4,500		
23 Legal/Accounting	38,000		38,000	38,000		
24 owners representatve	30,000		30,000	30,000		
25 Environmental Assessment	4,200		4,200	4,200		
26 Architectural / Engineering	228,000		228,000	228,000		
27 Permits/Fees	50,000		50,000	50,000		
28 Commissioning	0		0	0		
29 Compaction/Testing	5,850		5,850	5,850		
30 Independent Market Study	3,175		3,175	3,175		
31 Construction Period Insurance	17,300		17,300	17,300		
32 Construction Interest	75,000		75,000	75,000		
33 Loan Origination Fee	0		0	0		
34 Taxes During Construction	8,000		8,000	8,000		
35 Inspection Fee	6,000		6,000	6,000		
36 Marketing	8,325					
37 Tax Credit Fees	6,000					
38 Soft Cost Contingency	15,000		15,000	15,000		
39 VHFA Lender's Council Fee	7,500		7,500	7,500		
40 VCDP administration	10,000		5,000	5,000		
41 Relocation	25,000					
42 Cost Cert IRS	6,500		6,500	6,500		
43 Capital Needs Assessment	0					
SYNDICATION COSTS						
44 Organizational (Partnership)	3,500					
45 Bridge Loan Fees and Expenses	15,000					
46 Syndication Consultant	2,500					
47 Tax Opinion	1,500					
DEVELOPER'S FEES						
48 Developer's Fees	482,000		482,000	482,000		
49 deferred development fee	0		0	0		
50 Consultant Fees	59,000		59,000	59,000		
RESERVES						
51 Working Capital	0					
52 Rent-up (Deficit Escrow) Reserve	20,000					
53 Operating Reserve	60,000					
54 Sinking Fund (RA)	0					
55 0	0					
Subtotal - Soft Costs	1,219,840					
TOTALS	5,196,913	8,500	4,291,588	4,243,588	0	
LESS: Amount of Non-qualified Financing					0	
LESS: Adjustment for per unit cost limits	100.00%		0			
LESS: Historic tax Credit (Residential Portion)			0	0	20%	Historic Credit Rate
Total Eligible Basis		8,500	4,291,588		0	Annual Historic Credit
TIMES: Adjusted for QCT/DDA	100.00%		4,291,588			
TIMES: Applicable Fraction	100.00%	8,500	4,291,588			
Total Qualified Basis		8,500	4,291,588	4,187,088	Long Term Depreciable Basis	
TIMES: Applicable Percentage		3.36%	3.36%	27.5	Depreciation Schedule	
Total Annual Credit Qualified		286	144,197	152,258	Annual Depreciation	
Total Tax Credits Requested	137,500		144,483	56,500	Short Term Depreciable Basis	
Estimated Net Syndication Proceeds **(excluding historic credit equity)**	1,275,000			5	Depreciation Schedule	
Estimated Yield - Housing Credit Syndication	92.74%			11,300	Annual Depreciation	
Equity Gap	0					
Credits Needed to fill Equity Gap	0					

0.00

01-Dec-10 **Grandway II Senior Housing**

HC UNITS Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br		625	9	600		64,800
1 Br		625	19	750		171,000
1 br	No RA					0
1 Br	Manager					0
						0
						0
						0
Residential Common Area		5,400			0	0
Commercial Space						
	Totals	22,900	28			235,800

NON HC UNITS Bedrooms	Type	Square Feet	Number	Rent	Utilities	Annual Rent
0 Br					0	0
1 Br					0	0
2 Br					0	0
2 Br						
3 Br					0	0
4 Br					0	0
					0	0
	Totals	22,900	0			0
		Total Units	28		**TOTAL All Units**	235,800
		Less Vacancy	5.00%			(11,790)

NET RENT	224,010

OTHER INCOME

Laundry	1,500
Interest	300
Commercial Space Income	
Other	0

TOTAL INCOME	225,810

01-Dec-10 'randway II Senior Housing

	Check all Applicable								A					B						C					
Building #	Unit #	HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	# of Br	Sq Ft	Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80	<100	>10	30%	50%	60%	65%	80%	00%
1	1-6	6			X	x		x		1	625	750	0	750			6						6			
1	7-20				X	x	1	x		1	625	750	0	750			14						14			
1	21-22	2			X	x		x		1	625	600	0	600		2						2				
1	23-28				X	x	2	x		1	625	600	0	600		6						6				
														0												
														0												
														0												
														0												
														0												
Total # Units	28	8			28	28	3	28	0	Totals: 28		235,800		Total # Units:	0	8	20	0	0	0	0	8	20	0	0	0

		Monthly	Per Unit Per Month	
Administration				
Management Fee	18,480	1,540	55	
Central support services	7,500	625	22	
Audit/Accounting	4,000	333	12	
Legal	1,000	83	3	
Marketing	500	42	1	
Wellness/on-site	35,000	2,917	104	
Compliance office supplies/tel	7,500	625	22	
TOTAL ADMINISTRATIVE	73,980	6,165	220	
Utilities				
Electricity	18,000	1,500	54	
Fuel	13,400	1,117	40	
Water and Sewer	4,000	333	12	
Fire Alarm / Emergency	1,800	150	5	
Other		0	0	
TOTAL UTILITIES	37,200	3,100	111	
Maintenance				
Maintenance / Janitor Payroll	12,500	1,042	37	10
Janitor supplies	700	58	2	
Exterminating	800	67	2	
Trash Removal	2,000	167	6	
Snow Removal	4,000	333	12	
Grounds	2,000	167	6	
Repairs Material	3,500	292	10	
Repairs Contract	3,500	292	10	
HVAC Repairs / Maintenance	2,000	167	6	
Elevator Contract / Repairs	2,000	167	6	
Painting and Decorating	1,000	83	3	
Other	1,000	83	3	
TOTAL MAINTENANCE	35,000	2,917	104	
Real Estate Taxes	20,500	1,708	61	per unit montl excl. ds & res 513
Property Insurance	5,800	483	17	
Replacement Reserves	16,800	1,400	50	
Primary Debt Service		0	0	
Other "must pay" debt service		0	0	
Other	0	0	0	
Total	189,280	15,773	584	

Dec-10 **Grandway II Senior Housing**

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RD 1% Loan, No Interest Credit																
Operating Income																
Gross Rent		235,800	239,337	242,927	246,571	250,270	254,024	257,834	261,701	265,627	269,611	273,656	277,760	281,927	286,156	290,448
Other Income		1,800	1,827	1,854	1,882	1,910	1,939	1,968	1,998	2,028	2,058	2,089	2,120	2,152	2,184	2,217
Vacancy and other losses		(11,790)	(11,967)	(12,146)	(12,329)	(12,513)	(12,701)	(12,892)	(13,085)	(13,281)	(13,481)	(13,683)	(13,888)	(14,096)	(14,308)	(14,522)
Total Operating Income		225,810	229,197	232,635	236,125	239,667	243,262	246,910	250,614	254,373	258,189	262,062	265,993	269,983	274,032	278,143
Operating Expenses																
Total Expenses (excl. Reserves)		172,480	177,654	182,984	188,474	194,128	199,952	205,950	212,129	218,493	225,047	231,799	238,753	245,915	253,293	260,891
Reserves		16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Sub-Total Operating Expense		189,280	194,454	199,784	205,274	210,928	216,752	222,750	228,929	235,293	241,847	248,599	255,553	262,715	270,093	277,691
Partnership services fee		4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total Operating Expense		193,780	198,954	204,284	209,774	215,428	221,252	227,250	233,429	239,793	246,347	253,099	260,053	267,215	274,593	282,191
Net Operating Income		32,030	30,243	28,351	26,351	24,239	22,010	19,660	17,185	14,581	11,842	8,963	5,940	2,767	(560)	(4,049)
Less Primary Debt Service		3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555	3,555
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		28,475	26,687	24,796	22,796	20,683	18,455	16,105	13,630	11,025	8,286	5,408	2,385	(788)	(4,116)	(7,604)
		0	0	0	0	0	0	0	0	0	0	0	0	788	4,116	7,604
Net Cash		28,475	26,687	24,796	22,796	20,683	18,455	16,105	13,630	11,025	8,286	5,408	2,385	0	0	0
DCR		900.90%	850.63%	797.43%	741.17%	681.76%	619.07%	552.98%	483.37%	410.11%	333.07%	252.10%	167.07%	77.84%	-15.76%	-113.88%
Cumulative Cash Flow																
Beginning Balance		0	28,475	55,447	80,797	104,401	126,128	145,844	163,408	178,672	191,484	201,685	209,110	213,585	214,933	212,967
Deposits		28,475	26,687	24,796	22,796	20,683	18,455	16,105	13,630	11,025	8,286	5,408	2,385	0	0	0
Interest	2.0%	0	285	554	808	1,044	1,261	1,458	1,634	1,787	1,915	2,017	2,091	2,136	2,149	2,130
Withdrawals		0	0	0	0	0	0	0	0	0	0	0	0	(788)	(4,116)	(7,604)
Ending Balance		28,475	55,447	80,797	104,401	126,128	145,844	163,408	178,672	191,484	201,685	209,110	213,585	214,933	212,967	207,492
Cumulative Replacement Reserves																
Beginning Balance		60,000	76,968	94,538	112,283	130,206	147,308	156,381	165,545	175,700	176,257	194,820	205,368	216,022	218,382	218,566
Deposits		16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Interest	2.0%	168	770	945	1,123	1,302	1,473	1,564	1,655	1,757	1,763	1,948	2,054	2,160	2,184	2,186
Withdrawals		0	0	0	0	(1,000)	(9,200)	(9,200)	(8,300)	(18,000)	0	(8,200)	(8,200)	(16,600)	(18,800)	(103,200)
Ending Balance		76,968	94,538	112,283	130,206	147,308	156,381	165,545	175,700	176,257	194,820	205,368	216,022	218,382	218,566	134,351
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		32,030	30,243	28,351	26,351	24,239	22,010	19,660	17,185	14,581	11,842	8,963	5,940	2,767	(560)	(4,049)
Plus Reserves		16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Less Interest Expense		(16,572)	(1,490)	(1,406)	(1,318)	(1,226)	(1,131)	(1,032)	(928)	(821)	(709)	(592)	(471)	(345)	(213)	(76)
Less Long Depreciation		(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)	(152,258)
Less Short Depreciation		(11,300)	(11,300)	(11,300)	(11,300)	(11,300)	(11,300)	(11,300)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(131,299)	(118,005)	(119,813)	(121,725)	(123,745)	(125,879)	(128,129)	(119,201)	(121,698)	(124,325)	(127,087)	(129,989)	(133,035)	(136,231)	(139,583)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		45,955	41,302	41,934	42,604	43,311	44,058	44,845	41,720	42,594	43,514	44,480	45,496	46,562	47,681	48,854
Plus Tax Credits		137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	137,500	0				
After Tax Cash Flow		183,455	178,802	179,434	180,104	180,811	181,558	182,345	179,220	180,094	181,014	44,480	45,496	46,562	47,681	48,854

30-Nov-10 **Salisbury Square Apartments**

Total Residential Units:	14	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	14	Increase in Income from Other Sources:	1.50%
Percent Restricted:	100.00%	Increase in Income from Commercial:	n/a
Total Development Cost:	3,903,828	Expense increase:	3.00%
Total Development Cost per Unit:	278,845	Vacancy Rate:	5.00%
Total Development Cost Per SF:	345	Partner's Tax Rate:	35%
		Long Depreciation Schedule:	27.5 years
Max Credit Potential:	395,213	Short Depreciation Schedule:	7 years
Federal Credit Amount Allocated:	320,000	Sponsor's Estimated Yield:	74.07%
State Credit Amount Requested			
LIHTC - 9%	9.00%	April-09	
LIHTC - 4%	3.29%		

SOURCES

		% of Total Development Cost	Interest Rate	Amortization	Term
First Mortgage		0.00%	6.50%	30	30
VHCB Cap. Grant Funds	23,771	0.61%	0.00%	Deferred	30
HOME	226,383	5.80%	0.00%	Deferred	30
Brownfield Loan	160,000	4.10%	1.00%	20	20
Brownfield Grant	187,000	4.79%	0.00%	Deferred	15
VCDP	601,600	15.41%	0.00%	Deferred	Grant
Developer Fee Loan / Eff. Incentives	48,311	1.24%	4.58%	30	15
		0.00%	0.00%	n/a	Grant
TCAP	89,000	2.28%	0.00%	Deferred	30
HUD EDI	200,000	5.12%	0.00%	Deferred	30
LIHTC Equity	2,367,763	60.65%			
TOTAL SOURCES	3,903,828	100.00%			

USES

Acquisition	303,508	7.77%
Construction Hard Costs	2,628,868	67.34%
Soft Costs	971,452	24.88%
TOTAL USES	3,903,828	100%
Gap/(Surplus)	0	

General Partner's Capital Contribution	237	0.01%
Limited Partner's Capital Contribution	2,369,896	99.99%
Total Equity	2,370,133	

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	14
Total Units	14
Unit Fraction	100.00%
Tax Credit Square Footage	12,610
Total Residential Square Footage	12,610
Square Footage Fraction	100.00%
Applicable Fraction	100.00%

Salisbury Square Apartments **Sources and Uses** $ 232.54

Sources/Uses

	Budget		Per Unit		Per s.f.
ACQUISITION					
Brownfield Cleanup	157,000	$	11,214.29	$	12.45
Purchase of Land and Building	27,208	$	1,943.43	$	2.16
Demolition only	114,300	$	8,164.29	$	9.06
Property Appraisal		$	-	$	-
Legal - Title, T Ins & Recording	5,000	$	357.14	$	0.40
Subtotal - Acquisition	**303,508**	**$**	**21,679.14**	**$**	**24.07**
CONSTRUCTION HARD COSTS					
Rehabilitation	841,884	$	60,134.57	$	66.76
New rental Building	1,026,144	$	73,296.00	$	81.38
SF Homes (conventional pricing-energy efficient)	0	$	-		
Green Design and Upgrade on SF Homes ($15 sf)	0	$	-		
Basements	0	$	-		
Sitework	555,550	$	39,682.14	$	44.06
Unit Button up	0	$	-	$	-
Utilities	58,433	$	4,173.79	$	4.63
Brownfield Remediation		$	-	$	-
Landscaping		$	-	$	-
Contractor Overhead (4%)		$	-	$	-
Contractor Profit (5%)		$	-	$	-
Construction Consultant		$	-	$	-
Construction Bond Fee (0.06%)		$	-	$	-
Hazardous Materials Abatement		$	-	$	-
Furnishings, Fixtures, & Equipment	21,000	$	1,500.00	$	1.67
Construction Contingency @ 10%	125,857	$	8,989.79	$	9.98
Subtotal - Hard Costs	**2,628,868**	**$**	**187,776.29**	**$**	**208.47**
SOFT COSTS					
Architectural/Engineering	189,668	$	13,547.71	$	15.04
Civil Engineering		$	-	$	-
Urban Design	5,413	$	386.64	$	0.43
Legal- Accounting	30,000	$	2,142.86	$	2.38
Legal- Sales	0	$	-	$	-
Environmental Assessment	10,000	$	714.29	$	0.79
Traffic Study	7,500	$	535.71	$	0.59
C.N.A.	2,500	$	178.57	$	0.20
Permits/Fees	20,000	$	1,428.57	$	1.59
Construction Period Insurance	4,500	$	321.43	$	0.36
Construction Interest	82,996	$	5,928.29	$	6.58
Loan commitment/credit Fees	23,630	$	1,687.86	$	1.87
Carrying costs	46,667	$	3,333.36	$	3.70
Liability Insurance and Property Tax		$	-	$	-
Geotech/Controlled Inspections	2,403	$	171.64	$	0.19
Applications		$	-	$	-
Appraisals	6,400	$	457.14	$	0.51
Historic Preservation Consultant	14,192	$	1,013.71	$	1.13
Survey	12,500	$	892.86	$	0.99
Market Studies	10,775	$	769.64	$	0.85
Leed H Certification		$	-	$	-
Miscellaneous	2,803	$	200.21	$	0.22
Marketing	7,500	$	535.71	$	0.59
Soft Cost Contingency @ 10%	47,945	$	3,424.64	$	3.80
SYNDICATION COSTS					
Organizational (Partnership)	4,000	$	285.71	$	0.32
Cost Certification	6,500	$	464.29	$	0.52
Syndication legal/accounting		$	-	$	-
DEVELOPER'S FEES					
Developer's & Consultant Fees	355,560	$	25,397.14	$	28.20
RESERVES					
Working Capital	15,000	$	1,071.43	$	1.19
Rent-up (Deficit Escrow) Reserve	15,000	$	1,071.43	$	1.19
Taxes and Insurance Escrow	7,000	$	500.00	$	0.56
Fund Operating Reserve	13,000	$	928.57	$	1.03
Fund Replacement Reserves	28,000	$	2,000.00	$	2.22
Subtotal - Soft Costs	**971,452**	**$**	**69,389.43**	**$**	**77.04**
TOTAL DEVELOPMENT COSTS	**3,903,828**	**$**	**278,844.86**	**$**	**309.58**

30-Nov-10 **Salisbury Square Apartm Rental Schedule**

Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
1 Br	new	702	5	599	29	35,952
2 Br	new	978	8	701	44	67,296
3 Br	rehab	1,275	1	741	59	8,892
4+ Br		0	0	0	0	0
	Totals	12,610	14			112,140

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		0	0	0	0	0
2 Br		0	0	0	0	0
3 Br		0	0	0	0	0
4+ Br		0	0	0	0	0
	Totals	0	0			0
All Units						
	Grand Totals	12,610	14			112,140
		Less Vacancy	5.00%			(5,607)
					NET RENT	106,533

OTHER INCOME

Laundry	25	300
Parking		0
Commercial Space Income		
Total		300

TOTAL INCOME	**107,133**

Salisbury Square Apartments

Credit Caluculations

	Budget	Acquisition Basis	Construction Basis	Residential Depreciation
ACQUISITION				
Brownfield Cleanup	157,000			
Purchase of Land and Building	27,208	15,000		15,000
Demolition only	114,300			
Property Appraisal	0	0		0
Legal - Title, T Ins & Recording	5,000	5,000		5,000
Subtotal - Acquisition	303,508			
CONSTRUCTION HARD COSTS				
Rehabilitation	841,884		841,884	841,884
New rental Building	1,026,144		1,026,144	1,026,144
SF Homes (conventional pricing-energy efficient	0		0	0
Green Design and Upgrade on SF Homes ($15 sf	0		0	0
Basements	0		0	0
Sitework	555,550		455,550	455,550
Unit Button up	0		0	0
Utilities	58,433		58,433	58,433
Brownfield Remediation	0		0	
Landscaping	0		0	0
Contractor Overhead (4%)	0		0	0
Contractor Profit (5%)	0		0	0
Construction Consultant	0			0
Construction Bond Fee (0.06%)	0		0	0
Hazardous Materials Abatement	0		0	0
Furnishings, Fixtures, & Equipmen	21,000		21,000	21,000
Construction Contingency @ 10%	125,857		125,857	125,857
Subtotal - Hard Costs	2,628,868			
SOFT COSTS				
Architectural/Engineering	189,668		189,668	189,668
Civil Engineering	0		0	0
Urban Design	5,413		5,413	5,413
Legal- Accounting	30,000		30,000	30,000
Legal- Sales	0		0	0
Environmental Assessment	10,000		10,000	10,000
Traffic Study	7,500		7,500	7,500
C.N.A.	2,500		2,500	2,500
Permits/Fees	20,000		20,000	20,000
Construction Period Insurance	4,500		4,500	4,500
Construction Interest	82,996		82,996	82,996
Loan commitment/credit Fees	23,630			0
Carrying costs	46,667		46,667	46,667
Liability Insurance and Property Tax	0		0	0
Geotech/Controlled Inspections	2,403		2,403	2,403
Applications	0		0	0
Appraisals	6,400		6,400	6,400
Historic Preservation Consultant	14,192		14,192	14,192
Survey	12,500		12,500	12,500
Market Studies	10,775		10,775	10,775
Leed H Certification	0		0	0
Association working capital	0		0	0
Miscellaneous	2,803			0
Marketing	7,500			0
Soft Cost Contingency @ 10%	47,945		47,945	47,945
			0	0
SYNDICATION COSTS				
Organizational (Partnership)	4,000			
Cost Certification	6,500			
Syndication legal/accounting	0			
Tax Opinion	0			
DEVELOPER'S FEES				
Developer's & Consultant Fees	355,560		355,560	355,560
Other Partnership Fees	0		0	
Consultant Fees	0		0	
RESERVES				
Working Capital	15,000			
Rent-up (Deficit Escrow) Reserve	15,000			
Fund Operating Reserve	13,000			
Tax and insurance escrow	7,000			
Fund Replacement Reserves	28,000			
Subtotal - Soft Costs	971,452			
TOTALS	3,903,828	20,000	3,377,887	3,376,887
Acquisition Basis	20,000			
Construction Basis	3,377,887			
Historic Basis	0			
Depreciation Basis	3,376,887			
Amount of Non-qualified Financing				
Adjustment for per unit cost limits				
Historic tax Credit (Residential Portion)				
Total Eligible Basis		20,000	3,377,887	20%
Adjusted for QCT/DDA	130.0%	26,000	4,391,253	0
Applicable Fraction	100.0%	26,000	4,391,253	100%
Total Qualified Basis		26,000	4,391,253	0
Applicable Percentage		3.29%	9.00%	
Total Annual Credit Qualified		0	395,213	
TOTAL QUALIFIED CREDIT		395,213		

Total Tax Credits Requested	320,000
Estimated Net Syndication Proceeds (**excluding historic credit equity**)	2,367,763
Estimated Yield - Housing Credit Syndication	74.07%
Equity Gap	2,367,763
Credits Needed to fill Equity Gap	320,032

30-Nov-10

Salisbury Square Apartments Rent Summary

Building #	Unit #	Check all Applicable								A					B						C					
		HOME Unit	Lead Paint Unit	Project Based Assistance	Tax Credit Unit	VHCB Restricted	Accessible	Adaptable	Unrestricted	Number of Bedrooms	Proposed Square Footage	Proposed Rent	Utility Allowance for Tenant-Paid Utilities	Gross Rent (Rent + Tenant-Paid Utilities)	OCCUPIED BY: Income level of residents to be served:						AFFORDABLE TO: Units affordable to residents at:					
															<30%	<50%	<60%	<80%	<100%	>100%	30%	50%	60%	65%	80%	100%+
1	1	1			1	1				1	641	$548	$29	$330	1						1					
2	2				1	1		1		1	705	$612	$29	$641			1						1			
2	3				1	1	1			1	721	$612	$29	$641			1						1			
3	4				1	1	1			1	721	$612	$29	$641			1						1			
3	5				1	1		1		1	721	$612	$29	$641			1						1			
1	6	1			1	1				2	756	$648	$44	$692		1						1				
1	7	1			1	1				2	780	$648	$44	$692		1						1				
2	8	1			1	1				2	990	$708	$44	$752			1						1			
2	9	1			1	1				2	1,066	$708	$44	$752			1						1			
2	10				1	1		1		2	1,089	$724	$44	$768			1						1			
3	11				1	1		1		2	990	$724	$44	$768			1						1			
3	12				1					2	1,066	$724	$44	$768			1						1			
3	13				1					2	1,089	$724	$44	$768			1						1			
1	14	1	1		1	1				3	1,275	$741	$59	$800		1						1				
Total # Units	14	6	1	0	14	12	2	4	0	24	12,610	9,345		Total # Units:	1	3	10	0	0	0	1	3	10	0	0	0

30-Nov-10 **Salisbury Square A 1st year Operating Expenses**

	Annual	Monthly	Per Unit Per Month
Administration			
Management Fee	12,570	1,048	87
Audit/Accounting	3,700	308	22
Legal	600	50	4
Asset Management Fee	1,400	117	8
Marketing	583	49	3
Other	564	47	3
Compliance Monitoring	1,008	84	6
TOTAL ADMINISTRATIVE	20,425	1,702	122
Utilities			
Electricity	3,000	250	18
Fuel	17,000	1,417	101
Water and Sewer	5,500	458	33
Fire Alarm / Emergency	460	38	3
Other		0	5
TOTAL UTILITIES	25,960	2,163	155
Maintenance			
Maintenance / Janitor Payroll	9,618	802	40
Janitor Supplies	510	43	3
Exterminating	350	29	2
Trash Removal	3,000	250	18
Snow Removal	5,000	417	30
Grounds	2,500	208	15
Repairs Material	5,666	472	34
Repairs Contract		0	0
HVAC Repairs / Maintenance	0	0	0
Elevator Contract / Repairs	0	0	0
Painting and Decorating	840	70	7
Misc	0	0	0
TOTAL MAINTENANCE	27,484	191	14
Real Estate Taxes	9,734	811	58
Property Insurance	3,500	292	21
Replacement Reserves	6,552	546	39
Primary Debt Service		0	0
Other		0	0
Total (excluding debt service)	93,655	7,805	557

Salisbury Square Apartments 30 Year Cash Flow

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Income																
Gross Rent		112,140	113,822	115,529	117,262	119,021	120,807	122,619	124,458	126,325	128,220	130,143	132,095	134,077	136,088	138,129
Other Income		300	305	309	314	318	323	328	333	338	343	348	353	359	364	370
Vacancy and other losses		(5,607)	(5,706)	(5,792)	(5,879)	(5,967)	(6,056)	(6,147)	(6,240)	(6,333)	(6,428)	(6,525)	(6,622)	(6,722)	(6,823)	(6,925)
Total Operating Income		106,833	108,420	110,047	111,697	113,373	115,073	116,799	118,551	120,330	122,135	123,967	125,826	127,714	129,629	131,574
Operating Expenses																
Total Expenses (excl. Reserves)		87,103	89,716	92,408	95,180	98,035	100,976	104,006	107,126	110,339	113,650	117,059	120,571	124,188	127,914	131,751
Replacement Reserves		6,552	6,749	6,951	7,160	7,374	7,596	7,823	8,058	8,300	8,549	8,805	9,070	9,342	9,622	9,910
Total Operating Expense		93,655	96,465	99,359	102,339	105,410	108,572	111,829	115,184	118,639	122,199	125,864	129,640	133,530	137,536	141,662
Net Operating Income		13,178	11,956	10,688	9,358	7,963	6,502	4,970	3,368	1,690	(64)	(1,898)	(3,814)	(5,816)	(7,906)	(10,088)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		13,178	11,956	10,688	9,358	7,963	6,502	4,970	3,368	1,690	(64)	(1,898)	(3,814)	(5,816)	(7,906)	(10,088)
Less Contributions to Op Acct		(13,178)	(11,956)	(10,688)	(9,358)	(7,963)	(6,502)	(4,970)	(3,368)	(1,690)	0	0	0	0	0	0
Plus Withdrawals from Op Acct		0	0	0	0	0	0	0	0	0	64	1,898	3,814	5,816	7,906	10,088
Net Cash		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCR (incl rep reserve contribution)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating Account																
Beginning Balance		28,000	41,442	53,636	64,538	74,083	82,206	88,837	93,907	97,342	99,066	99,002	97,104	93,290	87,474	79,568
Deposits		13,178	11,956	10,688	9,358	7,963	6,502	4,970	3,368	1,690	0	0	0	0	0	0
Interest	2.0%	264	239	214	187	159	130	99	67	34	0	0	0	0	0	0
Withdrawals		0	0	0	0	0	0	0	0	0	(64)	(1,898)	(3,814)	(5,816)	(7,906)	(10,088)
Ending Balance		41,442	53,636	64,538	74,083	82,206	88,837	93,907	97,342	99,066	99,002	97,104	93,290	87,474	79,568	69,480
Rent Up Reserve																
Beginning Balance		15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals		(15,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Replacement Reserves																
Beginning Balance		28,000	34,683	41,567	48,657	55,959	5,821	13,569	21,549	29,768	38,234	(10,706)	(1,725)	7,526	17,054	26,869
Deposits		6,552	6,749	6,951	7,160	7,374	7,596	7,823	8,058	8,300	8,549	8,805	9,070	9,342	9,622	9,910
Interest	2.0%	131	135	139	143	147	152	156	161	166	171	176	181	187	192	198
Withdrawals	(4,805)	0	0	0	0	(57,660)	0	0	0	0	(57,660)	0	0	0		(57,660)
Ending Balance	(12)	34,683	41,567	48,657	55,959	5,821	13,569	21,549	29,768	38,234	(10,706)	(1,725)	7,526	17,054	26,869	(20,683)

01-Dec-10 Vergennes Senior Housing

Total Rental Residential Units:	25	Increase in Income from Rental Units:	1.50%
Housing Credit Restricted Units:	20	Increase in Income from Other Sources:	1.50%
Percent Restricted:	80.00%	Increase in Income from Commercial:	0.00%
Total Rental Development Cost:	6,452,749	Expense increase:	3.00%
Total Rental Dev. Cost per Unit:	258,110	Vacancy Rate:	4.50%
Total Rental Dev. Cost Per SF:	271	Partner's Tax Rate:	35%
Credit Election:	40/60	Long Depreciation Schedule:	27.5 years
Max Credit Potential:	514,777	Short Depreciation Schedule:	7 years
Credit Amount Allocated:	355,000	Sponsor's Estimated Yield:	0.77

LIHTC - 9%	9.00%	
LIHTC - 4%	3.25%	December 2010

SOURCES		% of Total Development Cost	Interest Rate	Amortization	Term	Committed
HUD loan	1,260,400	19.53%	0.50%	deferred	40	x
VHCB-HOME	300,000	4.65%	0.00%	deferred	40	x
VHCB	300,000	4.65%	0.00%	deferred	40	x
VCDP	490,000	7.59%	0.00%	deferred	40	x
Efficiency Vermont	12,500	0.19%	0.00%	deferred	40	x
HUD EDI	361,000	5.59%	0.00%	deferred	40	x
CHDO Green Buildings	125,000	1.94%	0.00%	deferred	40	x
State tax credit equity	168,000	2.60%	N/A	N/A	N/A	x
VCDP Enhancement	**162,328**	2.52%	N/A	N/A	N/A	12/8/10
TCAP	**522,546**	8.10%	0.00%	deferred	40	12/13/10
LIHTC equity	2,750,975	42.63%	N/A	N/A	N/A	x
TOTAL SOURCES	6,452,749	100.00%				

USES		
Acquisition	526,519	8.16%
Construction Hard Costs	4,512,440	69.93%
Soft Costs	1,413,790	21.91%
TOTAL USES	6,452,749	100.00%
Gap	0	

General Partner's Capital Contribution	1,375	0.05%
Limited Partner's Capital Contribution	2,750,700	99.99%
Total Equity	2,752,075	100.0%

APPLICABLE FRACTION CALCULATION

Tax Credit Restricted Units	20
Total Units	25
Unit Fraction	80.00%
Tax Credit Square Footage	13,460
Total Residential Square Footage	17,525
Square Footage Fraction	76.80%
Applicable Fraction	76.80%

		Budget	Per Unit	Per s.f.
	ACQUISITION			
1	Land	373,012	14,920	14.78
2	Purchase of Building(s)	0	0	0.00
3	Carrying Costs	143,807	5,752	5.70
4	Property Appraisal	4,700	188	0.19
5	Legal - Title and Recording	5,000	200	0.20
			0	0.00
	Subtotal - Acquisition	526,519	21,061	20.86
	CONSTRUCTION HARD COSTS			
6	Rehabilitation		0	0.00
7	New Building(s)	3,578,517	143,141	141.76
8	Total Homeownership Costs	0	0	0.00
9	Sitework	650,173	26,007	25.76
10	Wood pellet boiler system		0	0.00
11	City Road	0	0	0.00
12	Contractor Overhead	0	0	0.00
13	Contractor Profit	0	0	0.00
14	Construction Contingency	225,000	9,000	8.91
15	Construction Management Pre Cons Fee	10,000	400	0.40
16	Construction Bond Fee	0	0	0.00
17	Hazardous Materials Abatement	0	0	0.00
18	Off-Site Improvements	0	0	0.00
19	Furnishings, Fixtures, & Equipment	48,750	1,950	1.93
20	Other (________________)		0	0.00
	Subtotal - Hard Costs	4,512,440	180,498	178.75
	SOFT COSTS			
21	Architectural	345,968	13,839	13.70
22	Survey	8,000	320	0.32
23	Legal/Accounting	35,000	1,400	1.39
24	Relocation	0	0	0.00
25	Environmental Assessment	24,466	979	0.97
26	Energy Assessment		0	0.00
27	Permits/Fees	124,644	4,986	4.94
28	Independent Market Study	6,300	252	0.25
29	Construction Period Insurance	25,000	1,000	0.99
30	Construction Interest	75,000	3,000	2.97
31	Construction Loan Origination Fee	31,750	1,270	1.26
32	Taxes During Construction		0	0.00
33	Clerk of the Works	15,000	600	0.59
34	Marketing	4,500	180	0.18
35	Tax Credit Fees	16,400	656	0.65
36	Soft Cost Contingency	8,715	349	0.35
37	Permanent Loan Origination Fee		0	0.00
38	Lender's Counsel's Fee		0	0.00
39	Other (____________)		0	0.00
	SYNDICATION COSTS			
40	Organizational (Partnership)		0	0.00
41	Bridge Loan Fees and Expenses		0	0.00
42	Syndication Consultant		0	0.00
43	Tax Opinion		0	0.00
	DEVELOPER'S FEES			
44	Developer's Fees - HVT	300,000	12,000	11.88
45	Other Partnership Fees - ACCT	300,000	12,000	11.88
46	Consultant Fees		0	0.00
	RESERVES			
47	Working Capital		0	0.00
48	Rent-up (Deficit Escrow) Reserve	39,773	1,591	1.58
49	Other Operating Reserves	39,773	1,591	1.58
50	Sinking Fund		0	0.00
51	Replacement Reserves	13,500	540	0.53
	Subtotal - Soft Costs	1,413,790	56,552	56.00
	TOTAL DEVELOPMENT COSTS	6,452,749	258,110	271

COST BASIS FOR DEVEL FEE	5,759,703
DEVELOPER FEE	600,000
DEVELOPER FEE %	10.42%

01-Dec-10 **Vergennes Senior Housing**

#	Item	Budget	Acquisition Basis	Construction Basis	Residential Depreciation	Other
	ACQUISITION					
1	Land	373,012				
2	Purchase of Building(s)	0	0			
3	Carrying Costs	143,807				
4	Property Appraisal	4,700	4,700		4,700	
5	Legal - Title and Recording	5,000	5,000		5,000	
	Subtotal - Acquisition	526,519				
	CONSTRUCTION HARD COSTS					
6	Rehabilitation	0		0		
7	New Building(s)	3,578,517		3,578,517	3,578,517	
8	Total Homeownership Costs	0		0		
9	Sitework	650,173		617,664	650,173	
10	Wood pellet boiler system	0		0		
11	City Road	0		0		
12	Contractor Overhead	0		0		
13	Contractor Profit	0		0		
14	Construction Contingency	225,000		225,000	225,000	
15	Construction Management Pre Cons Fee	10,000		10,000	10,000	
16	Construction Bond Fee	0		0		
17	Hazardous Materials Abatement	0		0		
18	Off-Site Improvements	0		0		
19	Furnishings, Fixtures, & Equipment	48,750		48,750		
20	Other (____________)	0		0		
	Subtotal - Hard Costs	4,512,440				
	SOFT COSTS					
21	Architectural	345,968		345,968	345,968	
22	Survey	8,000		2,560	8,000	
23	Legal/Accounting	35,000		35,000	35,000	
24	Relocation	0				
25	Environmental Assessment	24,466		24,466	24,466	
26	Energy Assessment	0				
27	Permits/Fees	124,644		124,644	124,644	
28	Independent Market Study	6,300		6,300	6,300	
29	Construction Period Insurance	25,000		25,000	25,000	
30	Construction Interest	75,000		60,000	60,000	
31	Construction Loan Origination Fee	31,750		31,750	31,750	
32	Taxes During Construction	0				
33	Clerk of the Works	15,000		15,000	15,000	
34	Marketing	4,500			4,500	
35	Tax Credit Fees	16,400			16,400	
36	Soft Cost Contingency	8,715		8,715	8,715	
37	Permanent Loan Origination Fee	0		0		
38	Lender's Counsel's Fee	0		0		
39	Other (____________)	0		0		
	SYNDICATION COSTS					
40	Organizational (Partnership)	0				
41	Bridge Loan Fees and Expenses	0				
42	Syndication Consultant	0				
43	Tax Opinion	0				
	DEVELOPER'S FEES					
44	Developer's Fees - HVT	300,000		300,000	300,000	
45	Other Partnership Fees - ACCT	300,000		300,000	300,000	
46	Consultant Fees	0		0		
	RESERVES					
47	Working Capital	0				
48	Rent-up (Deficit Escrow) Reserve	39,773				
49	Other Operating Reserves	39,773				
50	Sinking Fund	0				
51	Replacement Reserves	13,500				
	Subtotal - Soft Costs	1,413,790				
	TOTALS	6,452,749	9,700	5,759,334	5,779,133	0
	LESS: Amount of Non-qualified Financing			30,765		
	LESS: Historic tax Credit (Residential Portion)			0	0	
	Total Eligible Basis		9,700	5,728,569		0
	TIMES: Adjusted for QCT/DDA	130.0%		7,447,140		
	TIMES: Applicable Fraction	76.80%	7,450	5,719,743		
	Total Qualified Basis		7,450	5,719,743	5,779,133	Long Term Depreciable Bas
	TIMES: Applicable Percentage		3.25%	9.00%	27.5	Depreciation Schedule
	Total Annual Credit Qualified		0	514,777	210,150	Annual Depreciation

Total Tax Credits Requested	355,000
Estimated Net Syndication Proceeds (Sec. 42 Housing Credit only)	2,750,975
Estimated Yield - Housing Credit Syndication	77%
Equity Gap	2,750,975
Credits Needed to fill Equity Gap	358,586

48,750	Short Term Depreciable Bas
7	Depreciation Schedule
6,964	Annual Depreciation

01-Dec-10 **Vergennes Senior Housing**

HC Restricted Units Bedrooms	Type	Average Square Feet	Number	Average Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		645	18	624	0	134,784
2 Br		925	2	809	0	19,416
3 Br		0	0	0	0	0
	Totals	13,460	20			154,200

Non-HC Restricted Units Bedrooms	Type	Square Feet	Number	Rent	Utilities	Total Annual Rent
0 Br		0	0	0	0	0
1 Br		645	2	719	0	17,256
2 Br		925	3	863	0	31,068
3 Br		0	0	0	0	0
4+ Br		0	0	0	0	0
	Totals	4,065	5			48,324

Common Area Square Footage		7,719		
	Grand Totals	25,244	25	202,524
	Less Vacancy		4.50%	(9,114)
			NET RENT	193,410

OTHER INCOME

Laundry	3,000
Parking	0
Commercial Space Income	0
Other	0
TOTAL INCOME	196,410

01-Dec-10 Vergennes Senior Housing

	Annual	Monthly	Per Unit Per Month	
Administration				
Management Fee	22,500	1,875	75	11.5%
Supportive Services	15,000	1,250	50	
Audit/Accounting	4,500	375	15	
Legal	2,400	200	8	
Compliance Monitoring	1,440	120	5	
Marketing	600	50	2	
Other	3,600	300	12	
TOTAL ADMINISTRATIVE	50,040	4,170	167	
Utilities				
Electricity	7,500	625	25	
Fuel - wood pellet & oil combo	15,890	1,324	53	
Water and Sewer	10,500	875	35	
Fire Alarm / Emergency	1,500	125	5	
Other		0	0	
TOTAL UTILITIES	35,390	2,949	118	
Maintenance				
Maintenance / Janitor Payroll	18,000	1,500	60	
Janitor Supplies	6,900	575	23	
Exterminating	600	50	2	
Trash Removal	3,000	250	10	
Snow Removal	5,400	450	18	
Grounds	3,600	300	12	
Repairs Material	0	0	0	
Repairs Contract	0	0	0	
HVAC Repairs / Maintenance	2,100	175	7	
Elevator Contract / Repairs	2,700	225	9	
Painting and Decorating	1,500	125	5	
Other - Assoc Fees	8,500	708	28	
TOTAL MAINTENANCE	52,300	4,358	174	
				per unit month
Real Estate Taxes	13,363	1,114	45	excl. ds & res.
Property Insurance	7,500	625	25	529
Replacement Reserves	13,500	1,125	45	
Primary Debt Service	0	0	0	
Other "must pay" debt service		0	0	
Other	500	42	2	
Total	172,593	14,383	575	

"Below-the-Line" Expenses:

Special LP or GP Fee	0
Repayment of Deferred Fee	0
Partnership Audit or K-1 Fee	0
Distribution	0
Net to Residual Recepits/Cumulative Cash Flow	172,593

01-Dec-10		Vergennes Senior Housing																			
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operating Income																					
Gross Rent		202,524	205,562	208,645	211,775	214,952	218,176	221,449	224,770	228,142	231,564	235,037	238,563	242,141	245,773	249,460	253,202	257,000	260,855	264,768	268,739
Other Income		3,000	3,045	3,091	3,137	3,184	3,232	3,280	3,330	3,379	3,430	3,482	3,534	3,587	3,641	3,695	3,751	3,807	3,864	3,922	3,981
Vacancy and other losses		(9,114)	(9,250)	(9,389)	(9,530)	(9,673)	(9,818)	(9,965)	(10,115)	(10,266)	(10,420)	(10,577)	(10,735)	(10,896)	(11,060)	(11,226)	(11,394)	(11,565)	(11,738)	(11,915)	(12,093)
Total Operating Income		196,410	199,357	202,347	205,382	208,463	211,590	214,764	217,985	221,255	224,574	227,942	231,361	234,832	238,354	241,930	245,559	249,242	252,981	256,775	260,627
Operating Expenses																					
Total Expenses (excl. Reserves)		159,093	163,866	168,782	173,845	179,061	184,432	189,965	195,664	201,534	207,580	213,808	220,222	226,829	233,633	240,642	247,862	255,298	262,956	270,845	278,971
Reserves		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629	16,878	17,131	17,388	17,649	17,914
Total Operating Expense		172,593	177,568	182,690	187,962	193,389	198,976	204,727	210,647	216,742	223,016	229,475	236,124	242,969	250,016	257,271	264,740	272,429	280,345	288,494	296,884
Net Operating Income		23,817	21,788	19,657	17,420	15,074	12,614	10,037	7,338	4,513	1,558	(1,533)	(4,763)	(8,138)	(11,662)	(15,341)	(19,181)	(23,187)	(27,364)	(31,719)	(36,257)
Less Primary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Secondary Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Cash Flow		23,817	21,788	19,657	17,420	15,074	12,614	10,037	7,338	4,513	1,558	(1,533)	(4,763)	(8,138)	(11,662)	(15,341)	(19,181)	(23,187)	(27,364)	(31,719)	(36,257)
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0	1,533	4,763	8,138	11,662	15,341	19,181	23,187	27,364	31,719	36,257
Net Cash		23,817	21,788	19,657	17,420	15,074	12,614	10,037	7,338	4,513	1,558	0	0	0	0	0	0	0	0	0	0
DCR		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative Cash Flow																					
Beginning Balance		39,773	65,141	89,210	111,838	132,875	152,161	169,530	184,803	197,795	208,309	216,140	221,091	222,961	221,512	216,496	207,649	194,697	177,351	155,308	128,248
Deposits		23,817	21,788	19,657	17,420	15,074	12,614	10,037	7,338	4,513	1,558	0	0	0	0	0	0	0	0	0	0
Interest	3.0%	1,550	2,281	2,971	3,616	4,212	4,754	5,236	5,654	6,002	6,273	6,484	6,633	6,689	6,645	6,495	6,229	5,841	5,321	4,659	3,847
Withdrawals:																					
Project Operating Needs		0	0	0	0	0	0	0	0	0	0	(1,533)	(4,763)	(8,138)	(11,662)	(15,341)	(19,181)	(23,187)	(27,364)	(31,719)	(36,257)
Special LP or GP Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Deferred Devel. Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Audit or K-1 Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution of Cash to Owner		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		65,141	89,210	111,838	132,875	152,161	169,530	184,803	197,795	208,309	216,140	221,091	222,961	221,512	216,496	207,649	194,697	177,351	155,308	128,248	95,838
Cumulative Replacement Reserves																					
Beginning Balance		13,500	21,440	35,708	46,248	54,526	67,210	67,076	80,449	89,730	86,112	94,876	102,611	118,452	133,165	129,520	145,850	136,760	150,910	156,260	158,494
Deposits		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629	16,878	17,131	17,388	17,649	17,914
Interest	2.0%	405	566	853	1,066	1,234	1,490	1,489	1,759	1,947	1,877	2,054	2,211	2,530	2,827	2,757	3,086	2,907	3,192	3,302	3,349
Withdrawals		(5,965)	0	(4,221)	(6,906)	(2,878)	(16,167)	(2,878)	(7,461)	(20,772)	(8,549)	(9,986)	(2,272)	(3,958)	(22,856)	(3,056)	(29,054)	(5,888)	(15,231)	(18,717)	(1,667)
Ending Balance		21,440	35,708	46,248	54,526	67,210	67,076	80,449	89,730	86,112	94,876	102,611	118,452	133,165	129,520	145,850	136,760	150,910	156,260	158,494	178,090

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net Operating Income		23,817	21,788	19,657	17,420	15,074	12,614	10,037	7,338	4,513	1,558	(1,533)	(4,763)	(8,138)	(11,662)	(15,341)
Plus Reserves		13,500	13,703	13,908	14,117	14,328	14,543	14,761	14,983	15,208	15,436	15,667	15,902	16,141	16,383	16,629
Less Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Long Depreciation		(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)	(196,692)
Less Short Depreciation		(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	(7,621)	0	0	0	0	0	0	0	0
Taxable Income (Loss)		(166,996)	(168,822)	(170,748)	(172,776)	(174,911)	(177,156)	(179,515)	(174,371)	(176,971)	(179,699)	(182,557)	(185,552)	(188,689)	(191,971)	(195,405)
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus Tax Savings		58,448	59,088	59,762	60,472	61,219	62,004	62,830	61,030	61,940	62,895	63,895	64,943	66,041	67,190	68,392
Plus Historic Rehab Credits		0														
Plus State Credits		0	0	0	0	0										
Plus Federal Housing Credits		355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000					
After Tax Cash Flow		413,448	414,088	414,762	415,472	416,219	417,004	417,830	416,030	416,940	417,895	63,895	64,943	66,041	67,190	68,392
Total Years	15															
Reinvestment Rate	6.00%															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Current After Tax Cash Flows		413,448	414,088	414,762	415,472	416,219	417,004	417,830	416,030	416,940	417,895	63,895	64,943	66,041	67,190	68,392
Future Value of Cash Flows at Yr 15:		990,853	936,213	884,657	836,011	790,107	746,791	705,915	663,088	626,924	592,791	85,506	81,990	78,656	75,495	72,495
Discount Rate:	7.50%															
Capital Contribution Number:	1	2	3	4												
Date of Capital Contribution:	30-Jun-09	30-Jun-10	31-Mar-11													
Amount of Capital Contribution:	3,464	2,944,758	519,317	0												
Present Value of Contributions:	3,464	2,729,157	454,593	0												
Cash Flows	(3,187,215)															8,167,492
IRR:	156.26%															
Equity Yield:	(1)															

Original Basis	5,827,883
Less Depreciation	#########
Basis at Sale	8,831,610
Sales Price	#REF!
Gain	#REF!
Exit Tax	#REF!

vhfa

Vermont Housing Finance Agency

MEMORANDUM

TO: VHFA Board of Commissioners

FROM: Tom Connors, Chief Financial Officer

DATE: December 6, 2010 for December 13, 2010 Board Meeting

RE: **Status of Private Activity Volume Cap and End of Year (2010) Resolution**

Action Requested: Adoption of attached resolution to authorize allocation of remaining 2010 private activity volume cap, including any additional 2010 private activity volume cap allocated to VHFA, filing of carryforward election and allocation of private activity volume cap during the course of the next calendar year

The attached resolution authorizes Sarah to allocate the Agency's remaining 2010 volume cap, and any additional allocation of 2010 volume cap VHFA may receive from the State, between homeownership and multifamily, as may be required. It also authorizes Sarah or me to file the 2010 carryforwards (for 2008, 2009 and 2010 general volume cap) and to allocate private activity volume cap received in 2011 between homeownership and multifamily, as appropriate, during the course of 2011.

Status of Agency's Use of Private Activity Volume Cap

Private Activity Volume Cap Availability and Usage Projections
2010 - 2011

Sources of Bonding Authorities	2010		2011
Carryforward - 2008 general	31,848,390	Carryforward - 2008 general	21,848,390
Carryforward - 2008 Housing Act	79,150,479		
Carryforward - 2009 general	85,264,000	Carryforward - 2009 general	85,264,000
New - 2010 general	116,887,500	Carryforward - 2010 general	116,887,500
		New - 2011 general	To Be Determined*
Total Sources	**313,150,369**		**223,999,890 + new 2011**

Uses of Bonding Authorities	2010		2011
Single Family	30,182,188	Single Family (anticipated)	60,000,000
Multifamily[1]	11,515,000	Multifamily (anticipated)	25,000,000
Total Uses	**41,697,188**		**85,000,000**

Cumulative Excess/(Shortfall)	**271,453,181**		**No Shortfall Anticipated**

[1] Includes 3,500,000 for Windsor Village Construction Loan expected to close December 16, 2010

mailing address P.O. Box 408, Burlington, VT 05402-0408 **delivery address** 164 Saint Paul St., Burlington, VT 05401-4364
phone (802) 864-5743 **fax** (802) 864-5746 **www.vhfa.org**

EQUAL HOUSING OPPORTUNITY

* The IRS has released the notice providing for each state's 2011 private activity bond cap. Vermont will receive the small state minimum of $277,820,000, an increase in the 2010 small state minimum of $273,775,000. As per usual, the (Vermont) Emergency Board will allocate some/all of this amount to the recipients in early January, 2011, having received input from the recipients (VHFA, VSAC, VEDA, the Vermont Municipal Bond Bank, and possibly others.)

Please feel free to call me at 652-3436 if you have any questions or comments about this information.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION RE: ALLOCATION OF 2010 PRIVATE ACTIVITY BOND VOLUME CAP; ELECTION TO CARRYFORWARD PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATIONS; AND GENERAL AUTHORITY TO DETERMINE APPROPRIATE USE OF PRIVATE ACTIVITY BOND VOLUME CAP

WHEREAS, the Vermont Housing Finance Agency (the "Agency") has been allocated a total of $116,887,500 in 2010 private activity bond volume cap by the State of Vermont Emergency Board ("2010 Allocation"); and

WHEREAS, the Agency has been allocated a total of $85,264,000 in 2009 private activity bond volume cap by the State of Vermont Emergency Board, including a reallocation by the Governor ("2009 Allocation"); and

WHEREAS, the Agency has been allocated a total of $88,047,500 in 2008 private activity bond volume cap by the State of Vermont Emergency Board, including a reallocation by the Governor ("2008 Allocation"); and

WHEREAS, the 2008 Housing Act included additional 2008 private activity bond volume cap for the State of Vermont in the amount of $96,550,479 to be used for "qualified housing issues" and which expires on December 31, 2010 ("2008 Housing Act Volume Cap"); and

WHEREAS, the Agency wishes to accept any additional allocation of 2010 private activity bond volume cap from the State of Vermont and to allow the Executive Director to designate its use for either qualified mortgage bonds and/or mortgage credit certificates or exempt facility bonds or a combination of both; and

WHEREAS, the Agency desires to carryforward any of its unused 2008 Allocation, unused 2009 Allocation and unused 2010 Allocation pursuant to Section 146 of the Internal Revenue Code of 1986 as amended;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. The Agency hereby authorizes the Executive Director to allocate the remainder of its 2010 Allocation pursuant to Section 146 of the Internal Revenue Code of 1986 as amended for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both.

2. If the Agency is allocated any additional private activity bond volume cap in 2010 by the State of Vermont, it authorizes the Executive Director to allocate this additional volume cap for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both.

3. The Agency elects to carryforward all of its unused 2008 Allocation, unused 2009 Allocation and unused 2010 Allocation pursuant to Section 146 of the Internal

Revenue Code of 1986 as amended for the purposes consistent with its allocation of such carryforward between exempt facility bonds and qualified mortgage bonds and/or mortgage credit certificates.

4. The Executive Director and Chief Financial Officer are directed, and each of them is authorized, to take all steps necessary to carryforward the Agency's unused 2008 Allocation, unused 2009 Allocation and unused 2010 Allocation, including, but not limited to preparation, execution, and delivery of a Carryforward Election of Unused Private Activity Volume Cap in such form as may be required by the Internal Revenue Service and consistent in content and effect with this Resolution.

5. The Agency hereby authorizes the Executive Director and Chief Financial Officer, individually, to allocate annual allocations of private activity bond volume cap pursuant to Section 146 of the Internal Revenue Code of 1986 as amended for the purposes of issuing exempt facility bonds or qualified mortgage bonds and/or mortgage credit certificates or a combination of both. Such allocations in total may be adjusted through the course of the calendar year.

6. The Executive Director and Chief Financial Officer are directed, and each of them is authorized, to take all steps necessary to make such allocations of the annual allocations as needed, including the preparation, execution, and delivery of such individual allocations in such form as may be required by the Internal Revenue Service and consistent in content and effect with this Resolution.