Exhibit B

Request for Extension of Time, Zoning Commission Order No. 12-21
(Consolidated Planned Unit Development and Related Map Amendment)
Square 6192, Lot 825

Affidavit of Applicant in Support of Two-Year Extension of Time

I, Ray Nix, being duly sworn, depose and state as follows:

I am Managing Director of Urban Matters Development Partners. In that capacity, I have been serving as a development consultant to Covenant Baptist United Church of Christ ("Covenant") which is the developer of the referenced PUD. Urban Matters is a District-based CBE currently overseeing the planning and development of over 220 units of affordable housing. All of our projects have been public-private partnerships through the District of Columbia including and most recently the adaptive reuse of the Margaret Murray Washington High School in Shaw, converting that space into 82 units of senior housing, in partnership with the Washington Interfaith Network, our mission is to develop signature affordable housing communities.

As the development consultant for Covenant, I have been working with them for more than 7 years to develop and refine their vision into a viable redevelopment solution that will not only reactivate a portion of their property, but achieve their mission and programming goals to provide quality affordable senior housing in the Bellevue neighborhood. In 2010 Covenant was awarded pre-development financing through the Deputy Mayor of Planning and Economic Developments Office, their neighborhood investment fund program, to conduct a development and feasibility analysis for this project.

Since that time, we have worked diligently and tirelessly with DC to refine their redevelopment plan and develop a concept that will not only add value to the community, but achieve the City's goals for the Bellevue neighborhood; equitable alternatives for safe, quality housing to meet and exceed the existing and future needs of residents, long-term affordability, quality design and architecture that complements the neighborhood, job opportunities for district residents and certified business enterprises like myself. These efforts culminated in the PUD and the approval for the construction 30-unit senior affordable housing development, which was anticipated to be financed in part with funding from the DC Department of Housing and Community Development (DHCD). DHCD typically releases a Notice of Funding Availability (NOFA) on an annual basis. The NOFA response requires an extensive amount of due diligence, including an appraisal, market study, environmental site assessment, construction pricing, and financing letters of interest.

When the PUD was approved by the Zoning Commission on 4/18/14, DHCD had already issued its 2014 NOFA on 4/2/14, with a deadline for applications on 5/9/14 (see Attachment A). This did not allow sufficient time to submit a funding application in the 2014 round for the approved PUD.

The next DHCD NOFA was not released until 7/29/15, with an application deadline of 10/5/15 (see Attachment B). Covenant and its partners did submit an application in that 2015 NOFA round, with all required due diligence, including financing letters of interest (see Attachment C). While the project met all threshold requirements of the NOFA, the project was not selected by DHCD for funding due to the numerous applications submitted. The notification to Covenant that their funding was not approved did not issue until January 29, 2016 (see Attachment D). Since then, DHCD has encouraged Covenant to re-apply for funding in the next NOFA.

DHCD released a 2016 NOFA on 3/31/16, with a deadline of 5/31/16, with funding announcements anticipated by September 2016 (see Attachment E). Covenant and its partners plan to re-submit the project for funding in this 2016 NOFA. Approved zoning for the project is a threshold requirement for DHCD funding and the requested PUD extension is needed to meet this requirement.

Covenant has not yet applied for a building permit for the project because it would imprudent to do so due to the significant time and cost entailed without a commitment from DHCD with regard to funding. Covenant is requesting a two year extension of the PUD to start construction of the project, and anticipates submitting for permit within the 2 years, once DHCH funding is approved. The proposed timeline with the extension is as follows:

DHCD 2014 NOFA Released	4/2/14
Covenant PUD Approved	4/18/14
DHCD 2014 NOFA Due	5/9/14
DHCD 2015 NOFA Released	7/29/15
Covenant Funding Proposal Submitted	10/5/15
DHCD Notifies Covenant Funding Not Awarded	1/26/16
DHCD 2016 NOFA Released	3/31/16
PUD Extension Submitted	4/13/16
Covenant Funding Proposal Submission	5/31/16
DHCD Funding Announcements Anticipated	9/1/16
Submit for Building Permit	4/1/17
Begin Construction	10/1/17

Covenant and Urban Matters are committed to providing high quality affordable senior housing adjacent to Covenant's Church. We respectfully request and thank the Zoning Commission for its consideration of its extension request in order to allow DHCD financing for the project to be secured.

I solemnly affirm under the penalty of perjury that the contents of this Affidavit are true and correct to the best of my personal knowledge.

I solemnly affirm under the penalty of perjury that the contents of this Affidavit are true and correct to the best of my personal knowledge.

Urban Matters Development Partners. L.L.C.

By:____________________
Name: Ray Nix
Title: Managing Director

Sworn and subscribed to me
this 14 day of April, 2016.

____
Notary Public

ELIZABETH RAMIREZ
NOTARY PUBLIC
P.G COUNTY
MARYLAND
MY COMMISSION EXPIRES JULY 2018

Attachment A

2014 DHCD NOFA Announcement

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

NOTICE OF FUNDING AVAILABILITY

Michael P. Kelly, Director, Department of Housing and Community Development (DHCD), announces a Notice of Funding Availability (NOFA) for funding under the Community Development Block Grant (CDBG) program, the Home Investment Partnership (HOME) program, the Housing Production Trust Fund (HPTF) program, 9% Low Income Housing Tax Credits (LIHTC) program, the Department of Behavioral Health (DBH) and Department of Health (DOH) funds administered by DHCD, the District of Columbia Housing Authority's Local Rent Supplement Program (LRSP), Housing Choice Voucher Program (HCVP) and the Annual Contributions Contract Program (ACC), and the Department of Human Services (DHS) supportive services funds for permanent supportive housing. CDBG and HOME funds for this NOFA are being made available from anticipated FY 2015 budget funds. This NOFA is being conducted pursuant to the FY 2015 (October 1, 2014 to September 30, 2015) Consolidated Action Plan prepared for submission to the U.S. Department of Housing and Urban Development (HUD). **Housing Counseling, Facade Improvement, and Small Business Technical Assistance will also be funded under this NOFA.**

- AFFORDABLE HOUSING (DFD)-

The District is interested in financing projects that focus on the following categories:
1) elderly housing; 2) special needs housing; 3) housing for chronically homeless individuals and families in mixed-income buildings with supportive services; 4) preservation of housing affected by expiring federal subsidies; 5) new/substantial rehabilitation of housing (5 or more units); 6) homeownership; 7) new construction and preservation of affordable housing units and 8) permanent supportive housing units for the exclusive use of DBH and DHS consumers to serve low to moderate income persons.

- HOUSING COUNSELING, FACADE IMPROVEMENTS & SMALL BUSINESS ASSISTANCE RFA (RCS)-

The District will provide funding to community based non-profit organizations to provide counseling services and training for homeownership, home preservation, tenants, and tenant groups. These services will support several DHCD housing programs and initiatives, including, but not limited to Home Purchase Assistance Program (HPAP), Single Family Residential Rehabilitation, Lead Safe Washington, Affordable Dwelling Units, and Inclusionary Zoning. In addition, grantees provide credit counseling, foreclosure counseling, tenant education, eviction counseling, as well as other housing services. The District will also provide funding to community based non-profit organizations for DHCD's Facade Improvement Program and Small Business Assistance Program. In the Façade Improvement Program, non-profits will be selected to implement storefront improvement projects in targeted commercial areas. In the Small Business Assistance Program, non-profits will be selected to provide small business support services in targeted commercial areas which are intended to empower businesses and create jobs.

- LOCAL RENT SUPPLEMENT PROGRAM (LRSP), the HOUSING CHOICE VOUCHER PROGRAM (HCVP) and the ANNUAL CONTRIBUTIONS CONTRACT (ACC) PROGRAM (DCHA)-
The District of Columbia Housing Authority will provide project-based rental subsidies to qualified persons or households through this NOFA.

- SUPPORTIVE SERVICES (DHS) –
The Department of Human Services will provide funding to community based non-profit organizations to deliver intensive supportive services to single adult and family participants (who are chronically homeless, vulnerable and face significant barriers to achieving self-sufficiency) in permanent supportive housing programs/projects funded through this NOFA. All organizations awarded DHS funding must provide supportive services in compliance with all provisions related to case management services under Section 29-2538 of the D.C. Municipal Regulation Title 29 (Public Welfare), Chapter 25 (Shelter and Supportive Housing for Individuals and Families), Sectionb38 (PSH Program – Assessment and Case Management).

All competitive Request for Proposals (RFPs) and Applications (RFAs) will be released on April 2, 2014. The RFP and RFA packages, including all application materials and the reference guidebook, will be available in CD format and can be obtained at DHCD, 1800 Martin Luther King Jr. Avenue, S.E., Washington, D.C. 20020, 1st floor reception desk daily from 8:15 a.m. until 4:45 p.m. This material will also be available from the DHCD website, www.dhcd.dc.gov, no later than April 4, 2014.

Completed applications for Housing Counseling, Façade Improvement, or Small Business Assistance (RCS) must be delivered on or before 4:00 p.m., Eastern Time, May 9, 2014, to DHCD, 1800 Martin Luther King Jr. Avenue, S.E., 1st floor reception desk, Washington, D.C., 20020. All other completed proposals and applications: Affordable Housing (DFD), Local Rent Supplement Program, Housing Choice Voucher Program and the Annual Contributions Contract (DCHA), and Supportive Services (DHS) must be delivered on or before 4:00 p.m., Eastern Time, June 2, 2014, to DHCD, 1800 Martin Luther King Jr. Avenue, SE., 1st floor reception desk, Washington, DC., 20020.

No applications will be accepted after the submission deadline

Vincent C. Gray, Mayor
Government of the District of Columbia

Victor L. Hoskins, Deputy Mayor for Planning and Economic Development

Michael P. Kelly, Director
Department of Housing and Community Development

Attachment B

2015 DHCD NOFA Announcement

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Office of Communications and Community Outreach

PUBLIC NOTIFICATION

Friday July 17, 2015

DHCD to Release Request for Proposals on Affordable Housing Projects

Over $100 Million Available In New Funding

WASHINGTON, DC – Polly Donaldson, Director of D.C. Department of Housing and Community Development (DHCD) announced today that DHCD will be accepting project proposals this summer for over $100 million in public financing for affordable housing projects. The official Notice of Funding Availability (NOFA) is published in the July 17, 2015 issue of the D.C. Register (Vol. 62/30). The Consolidated Request for Proposals (RFP) will be released on July 29, 2015, kicking off a two month application period. Applicants will be required to submit their proposals online via DHCD's new electronic application portal before the October 5, 2015 deadline.

DHCD is requesting proposals for projects that create new units (new construction or substantial rehabilitation of vacant buildings) reserved for households earning no more than 30% of the Area Median Income (AMI) or no more than 50% of the AMI, or projects that preserve occupied affordable housing with units for households no more than 80% of AMI. For new construction and vacant rehabilitation projects, DHCD will require that at least 5% of funded units be reserved as Permanent Supportive Housing (PSH) for individuals and families who were once homeless and continue to be at imminent risk of homelessness.

DHCD's Development Finance Division (DFD) will lead the project review and selection process. Funds will be available from a variety of federal and local funding sources including the Housing Production Trust Fund (HPTF), the HOME Investment Partnerships program (HOME), the 9% Low Income Housing Tax Credit (LIHTC) program, the Department of Behavioral Health (DBH) funds administered by DHCD, the District of Columbia Housing Authority (DCHA), Local Rent Supplement Program (LRSP), Housing Choice Voucher Program (HCVP), the Annual Contributions Contract Program (ACC), and the Department of Human Services (DHS) supportive services funds for Permanent Supportive Housing.

For more information about the application process, agency priorities, and regulatory requirements for all funding sources, please visit the 2015 Online RFP page at https://goo.gl/DvyJ6R. The RFP document and relevant attachments will also be available on that page, starting July 29, 2015.

An RFP kick-off meeting will be held in the DHCD Housing Resource Center, located at 1800 Martin Luther King Jr. Ave SE, 1st Floor, Washington, DC 20020, on Thursday July 30, 2015, from 10am to 12pm. Please RSVP at dhcd.events@dc.gov.

###

The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.

Attachment C

Financing Letters of Interest, 2015 DHCD NOFA

Bank of America
Merrill Lynch

October 16, 2015

Elizabeth Askew Everhart
Mission First HDC
1330 New Hampshire Ave. NW, Suite 116
Washington, DC 20036

Re: Construction to Permanent Loan for Covenant Senior Living, Washington, DC (the "Project")

Dear Ms. Askew-Everhart:

This letter will serve as a preliminary outline of the terms under which Bank of America, N.A. (the "Bank") would consider a loan request on the above referenced project. **This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank's internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request.**

Project: To be constructed 30-unit apartment complex located on the above referenced properties.

Borrower: TBD, LP - form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements: Borrower and Guarantors' financial statements, covenant compliance certificates, property operating statements, leasing summaries shall and any other reports required by Bank shall be provided in detail and frequency as determined by the Bank in its sole discretion.

Know Your Customer: Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

Other Requirements: All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit award, equity investor and pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

CONSTRUCTION LOAN

Construction Loan Amount: Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the least of:

1) $7,179,500;
2) 80% LTC based on final Bank approved construction budget; or
3) 80% LTV based on the sum of the "as completed and stabilized" appraised value, including rent restrictions, plus the value of the Low Income Housing Tax Credits (the "LIHTC") at the lesser of the value determined within Bank analysis of market pricing for the proposed market, or the gross amount being paid for the LIHTC's by the syndicator/investor.

Construction Interest Rate: 30 DAY LIBOR + 2.85%, floating. An interest rate protection product from a financial provider acceptable to the Bank may be required prior to funding of a loan. Borrower and any person or entity that at any time provides a guaranty of Borrower's obligations in respect of such interest rate protection (including but not limited to any general partner of any thereof) will be required to be an "eligible contract participant" as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute. The budget for the project will contain an interest reserve acceptable to Bank.

Construction Loan Term: 24 months from the loan closing.

Construction Loan Amortization: Interest only for 24 months;

Construction Loan Fee: 1.00% of the total Loan Commitment, payable at closing.

Construction Renewal Options:

An extension of the Construction Loan for six (6) months may be provided at the discretion of the Bank. An extension fee of 0.50% of the committed Loan amount will be associated with the extension. There may be other charges associated with the extension, such as Bank's legal fees.

Payment and Performance Guaranty: 100 % guarantee of completion, performance and repayment to be provided by Guarantor acceptable to the Bank. For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs. Guarantors to have financial covenants including but not limited to minimum net worth and liquidity – TO BE DETERMINED.

Collateral:

1) First Lien Deed of Trust on land and improvements constructed thereon.
2) UCC filing on furniture, fixtures and equipment.
3) Assignment of rents/leases and management/construction/architectural contracts, etc.
4) Assignment of partnership interest, including capital contributions.
5) Assignment of interest rate hedge agreement, if any.

General Contractor: To be named. Entity subject to Bank's full due diligence and approval. Guaranteed maximum price contract required. Contract must require 10% retainage. Payment and performance bond or acceptable Letter of Credit required in an amount and issuer acceptable to the Bank.

Loan Advances: Construction loan advances will be made no more frequently than monthly and will be based on the percentage of completion method for actual work in place less retainage as confirmed and approved by the Bank and its third party construction consultant. All funds will be advanced into a construction account held by the Bank.

Project Budget: Project budget must be approved by the Bank and include:

1) Minimum 5% construction contingency (if new construction), or 10% contingency (if rehabilitation of existing improvements);
2) Minimum 3% soft cost contingency;
3) Sufficient interest reserve to support the Project until it achieves the breakeven. Excess cash flow shall be used first to apply to accrued interest or interest then due with the remainder advanced from interest reserve; and
4) Bank may also require other reserves to be established with the Project budget.

Closing: Bank of America is capable of closing within 120 days of receiving the due diligence requested

TERM LOAN:

Term Loan Amount: The least of:

1) $1,020,630;
2) 80% LTV based on an appraisal in form and substance acceptable to the Bank, or
3) the principal amount based on debt service payments sufficient to achieve a 1.20X DSCR.

LTV and DSCR requirement is subject to change upon final underwriting. In the event that the Project demonstrates a declining Net Operating Income in the Proforma, the Term Loan amount will be sized based upon the Project achieving a minimum annual DSCR of 1:05X over a 15 year period. The Term Loan Amount is further restricted to the calculations and limitations as set forth in the "Secondary Financing" section below.

Term Loan Interest Rate: Note rate will be fixed immediately prior to construction closing based upon then applicable market rates for like tenor and character loans. The Bank estimates that, were the Note rate fixed as of the date of this letter, the rate would be approximately 5.60%. THIS RATE IS INDICATIVE ONLY AND THE ACTUAL NOTE RATE MAY DIFFER. For underwriting purposes the Bank assumed a rate of 5.60%. The interest rate will be forward locked for a period of 24 months. Forward rate lock extension for one six-month period will be available, subject to a fee of .25% if the Loan does not convert within the first ninety (90) days of the extension. Fee to be paid the earliest of the conversion or expiration of the extension.

Term Loan Maturity: 18 years from the term loan conversion.

Amortization: 30 years.

Term Loan Fees: The greater of:

1) $7,500.00 or
2) 1.00% of the total Loan Commitment, payable at construction loan closing.

There will also be a Conversion Fee equal to $10,000 payable at conversion.

Conversion Terms:

1) Lien free completion.
2) Property has stabilized over the prior three consecutive months as evidenced by 90% or greater physical and economic occupancy for each of the three months and achievement of 1:1.20X DSCR for that period.
3) Pay-off of the construction loan.

Guaranty: Non-recourse exclusions from key principals relating to fraudulent acts, in form and substance acceptable to Bank. Financial condition of key principals will be subject to Bank review and approval.

Reserves: The Bank will require a replacement reserve of at least $300 per unit. Other reserves may be required.

Property Manager: Entity to be named. Entity is subject to Bank's full due diligence and approval.

GENERAL PROVISIONS:

Syndicator/Investor: Syndicator and investor are subject to Bank approval. Investor(s) must be admitted into the partnership (or as member of a limited liability corporation) no later than closing of the Construction Loan.

LIHTC Equity:

1) Borrower must provide evidence satisfactory to Bank that it is entitled to an allocation of state and/or federal LIHTC's and agree to perform all actions necessary to maintain the allocation of those tax credits.

2) Bank must review and approve the commitment letter, partnership agreement, and any other documentation evidencing purchase of the LIHTC's.

3) Proceeds from the sale or syndication of the LIHTC's must be in an acceptable amount and according to a pay-in schedule and funding conditions acceptable to the Bank.

4) Upfront investor limited partner equity shall be at least **15%** of the total investor limited partner equity.

5) Bank of America, acting as Syndicator/Investor for the project, may elect a different equity pay-in schedule.

6) Assignment of tax credits required.

7) Initial capital contributions in excess of closing draw or subsequent capital contributions in excess of a concurrent draw request shall be deposited into a Bank controlled account from which pending and subsequent draws shall be funded completely prior to advancing funds from the Construction Loan. In the event Bank and Borrower enter into a Construction Loan Disbursement Escrow Agreement, Bank will allow initial capital contribution in excess of closing draw may remain in escrow from which pending and subsequent draws are funded.

Secondary Financing: Secondary Financing is permitted, subject to Bank approval. Secondary Financing shall be subordinated to the Bank's lien and secondary creditors who have not funded all proceeds prior to Bank proceeds shall execute an intercreditor agreement satisfactory in substance and form to the Bank, which limits and restricts the secondary creditor's rights and remedies without the prior written consent of the Bank. Secondary Financing subordination terms and conditions shall be consistent with provisions contained in Bank's form of subordination agreement and allow the potential refinance of the facilities contemplated herein. All Secondary Financing loan documents, including the subordination agreement, shall be acceptable to the Bank. The loan documents shall provide for traditional restrictions on Borrower encumbrances of the property. It is the Bank's assumption that all Secondary Financing for the Project will be funded prior to or simultaneous with Construction Loan Closing. Sources of Secondary Financing not paid in their entirety at closing and to be provided by governmental agencies (Federal, State, or Local) shall be evidenced by a commitment at closing which shall indicate that the allocation has been approved and funds allocated have been raised, reserved and available, and are not subject to clawback for other governmental priorities and, further, that the commitment does not obligate funds in excess of funds reserved. Any required "must-pay" subordinate debt service shall be underwritten and included in the LTV calculations, as well as factored into the minimum DSCR, with a combined minimum of 1.20:1 DSCR and 80% LTV on all hard debt.

Upfront Funding Sources: Total upfront funding, which may include LIHTC equity, developer equity, and/or subordinate debt shall equal a minimum of 15% of total development costs and will be advanced prior to the Bank's Construction Loan.

Developer Fee Payout Schedule: Developer fee payout schedule is subject to Bank review and approval. Bank approved pay-in schedule will not necessarily defer to the partnership agreement but shall follow terms finalized for the loan agreement.

Market Analysis: Terms herein are subject to Bank's satisfactory review and acceptance of overall market condition, demand/capture rate, absorption estimates, and subject property's rent differential to market.

Fees and Expenses: Borrower will pay all reasonable costs incurred by the Bank in connection with the loans including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal. Borrower acknowledges that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid pursuant hereto.

Deposits: The Bank may require that the replacement reserve, any operating deficit reserve, operating account, and any other reserves required by other funding parties to the project be maintained at the Bank.

Regulatory Requirements: Subject to the review and approval of all regulatory agreements and/or land use restrictions as required for ad valorem tax abatement, Section 8 (HAP), subordinate debt, ground lease, or other sources of funding, as applicable. Evidence that ad valorem tax abatement coincides with the real estate collateral required. Attorney opinion of real estate tax abatement applicability may be required.

Material Adverse Change: Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

Assumptions made: The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Expiration: This term sheet will expire at 5:00 p.m. on October 16, 2015 five (5) business days from the date hereof unless you execute this term sheet and return it to us prior to that time, along with a good-faith deposit of $15,000. Upon receipt of the signed letter and the good-faith deposit, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this term sheet will finally expire at 5:00 p.m. on December 16, 2015, the date which is sixty (60) days from the date hereof. Your deposit is refundable, less the Bank's out of pocket expenses incurred, should the Bank decline the financing opportunity discussed herein.

Please understand that this term sheet does not represent an offer or commitment by Bank of America, or any of its affiliated entities, for the proposed new financing, nor does it define all of the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the approval of your loan request under the Bank's approval process. If Bank of America issues a financing commitment in this transaction, it will in all respects supersede this letter.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Sincerely,
Bank of America, N.A.

Derrick Perkins
Senior Vice President
Bank of America
730 15th Street NW
Washington, DC 20005
202.442.7595 (ph)

Please submit a loan application as outlined above:

Name: ______________________________
Title: ______________________________
Date: ______________________________

Bank of America
Merrill Lynch

Community Development Banking Group
600 Peachtree Street, NE
Atlanta, GA 30308
GA1-006-06-25
Steve Gildersleeve
Senior Vice President
404.607.2441

October 14, 2015

Ms. Elizabeth Askew Everhart
Mission First HDC
1330 New Hampshire Ave. NW, Suite 116
Washington, DC 20036

Re: Covenant Senior Living
Washington, DC

Dear Ms. Askew Everhart:

We have had the opportunity to review the Covenant Senior Living project and wanted to let you know of our interest in being the equity investor for the transaction. This letter of interest is submitted, at this time, in lieu of a letter of intent, which may follow upon additional project and sponsor review and risk management approval. Please note that this is neither a commitment nor a letter of intent to invest, but simply an indication of our interest in pursuing this opportunity. We understand time is of the essence in providing you broad deal terms, equity pricing and pay-in schedule.

Covenant Senior Living will consist of the new construction of 30 affordable housing units for low-income senior households located in Washington, DC. The unit mix will consist of 27 one-bedroom units and 3 two-bedroom units. The project will serve households earning 30% AMI (6 units) and 50% AMI (24 units).

We understand that this partnership is not anticipated to close until at least the second quarter of 2016. We understand that the project is applying for an allocation of 9% Federal Low Income Housing Tax Credits totaling $8,400,000. Accordingly, we estimate that we will be able to provide $1.06 in equity for every dollar of federal Low Income Housing Tax Credit to be provided or $8,903,110 in total project equity paid as follows: 20% at Closing; 20% at 100% Construction Completion; 55% at Stabilized Occupancy and Permanent Loan Conversion; and 5% at 8609 Delivery.

Please note that this equity investment is subject to acceptance of a Bank of America Merrill Lynch proposal for its construction debt product, verification of project information, and completion of our underwriting, due diligence and documentation. Specific terms of both the equity and debt will be provided upon completion of our normal due diligence process.

The terms of the equity commitment will include the following:

- Project rents underwritten at a level no greater than 90% of market rents.
- Income to debt service ratio, inclusive of reserves, greater than 1.15:1.00.
- Vacancy/collection loss of 7% or greater.
- Replacement Reserves of $250 per unit per year or greater.
- The Guarantor, General Contractor, and Property Manager are subject to Investor review and approval.
- An Operating Reserve equivalent to 6 months of operating expenses, replacement reserves, and any "must-pay" debt. An additional amount may be required during underwriting.
- A Lien Free Completion and Development Deficit Guaranty.
- An Operating Deficit Guaranty, representing a minimum of 6 months of operating expense plus must pay debt service, for a term of 5 years following 12 consecutive months of 1.15 debt service coverage.
- A Tax Credit and Recapture Guaranty and Repurchase Agreement from Guarantor.
- Adjuster clauses for the delayed delivery or the reduction in credits.
- For the purposes of the pricing contained in this letter we have assumed the Partnership will depreciate its residential rental property over a 27.5 year recovery period.

I believe Bank of America Merrill Lynch's LIHTC equity and affordable housing debt products will provide you with the strength of Bank of America Merrill Lynch's franchise, as well as competitive pricing, and expedited underwriting and closing. This Letter of Interest will expire on February 1, 2016 but we look forward to continuing to work with you as the project moves forward.

Best regards,

Steve Gildersleeve

Steve Gildersleeve

Senior Vice President
Bank of America Merrill Lynch

cc: Derrick Perkins, Bank of America Merrill Lynch

PRESTIGE AFFORDABLE HOUSING EQUITY PARTNERS
3 E. Stow Road, P.O. Box 994
Marlton, New Jersey 08053-0994
Phone: (856) 596-0500 · Fax: (856) 988-5817

October 15, 2015

Ms. Elizabeth Everhart
Mission First HDC
1330 New Hampshire Ave, Suite 116
Washington, D.C. 20036

RE:	Partnership:	Covenant Senior LLC (the "Partnership")
	Property Name:	Covenant Senior Living (the "Project")
	City/State:	Washington, D.C.

Dear Ms. Everhart:

Thank you for the opportunity to submit a proposal on Covenant Senior Living. Prestige Affordable Housing Equity Partners ("PAHEP") is pleased to provide to you this equity commitment subject to the terms and conditions set forth herein. Upon your approval of this commitment letter, PAHEP will continue its due diligence and will commence a closing ("Closing") of an investment by a Fund sponsored by PAHEP (the "PAHEP Fund") in the Partnership.

In making this proposal, PAHEP is relying upon the following information:

I. PROJECT DESCRIPTION

A) New Construction

B) Unit Mix/Design:

i) # of Units: 30 units

ii) Set Aside Requirements: The unit breakdown is:

a. 5 one-bedroom units rented at 30% AMI,
b. 22 one-bedroom units rented at 50% AMI,
c. 1 two-bedroom units rented at 30% AMI, and
d. 2 two bedroom units rented at 50% AMI.

iii) Tenant Population: Senior tenants (55+) and any additional restrictions as outlined in the tax credit application.

C) Development Team:

i) Mission First Housing Development Corporation (the "Developer")
ii) Covenant Senior Manager LLC (the "General Partner")
iii) Bozzuto Construction (the "General Contractor"), subject to approval by PAHEP.

iv) Columbus Property Management (the "Management Company"), subject to approval by PAHEP. The Management Company shall receive a management fee payable by the Partnership on an annual basis in such amount as the Partnership shall approve, currently estimated at 6.00% of EGI. If the Management Company is an affiliate of the General Partner then 50% of the management fee shall be deferred as needed to achieve Breakeven Operations.

v) The General Partner, Mission First Housing Development Corporation, 1260 Housing Development Corporation (collectively the "Guarantor"), subject to PAHEP's review and approval of financial statements.

D) Rental Assistance: None

E) Timing:

i) Construction Start Date: December 1, 2016.

ii) Construction Completion Date: January 1, 2018.

iii) 100% Occupancy Date: April 1, 2018.

II. TAX CREDIT INFORMATION

1. Reserved or Allocated Credits: $840,000.
2. Estimated Partnership Annual Credits: $840,000.
3. PAHEP Fund's Share of Partnership Annual Credits: 99.99%.
4. Estimated PAHEP Fund Annual Credits: $839,916.
5. Estimated PAHEP Fund Total Credits: $8,399,160.
6. Applicable Fraction: 100%.
7. Applicable Percentage: 7.49% - Floating
8. First Credit Year: 2018.

III. CAPITAL CONTRIBUTIONS

A) Estimated $1.06 per dollar of the PAHEP Fund Total Credits ("Credit Price"), subject to market conditions and availability of funds. Based on the Credit Price, PAHEP proposes to make capital contributions to the Partnership in the aggregate amount of approximately $8,903,110 ("Capital Commitment").

B) Installment Payment of the Capital Commitment:

1. $1,335,466 (15%) at Closing, of which $25,000 shall be paid directly to PAHEP in payment of its legal fee.
2. $1,780,622 (20%) at 50% Construction Completion.
3. $1,335,466 (15%) at 75% Construction Completion
4. $3,116,088 (35%) at Construction Completion
5. $1,335,466 (15%) at Stabilized Operations, which consists of the closing of the Permanent Financing, funding of all required reserves and 3 months at a 1.20x debt coverage ratio ("Stabilization Capital Contribution"), of which $440,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of breakeven operations are available.").

IV. ADJUSTERS

A) Change in Credits: The Capital Commitment contributions are based on actual credits delivered. If actual PAHEP Fund Total Credits are less than the estimated amount, the Capital Commitment will be reduced by the shortfall times the Credit Price. The foregoing adjuster will apply if actual credits are less than the estimate for any reason. If actual PAHEP Fund Total Credits are greater than the estimated amount ("Excess Credits") and such Excess Credits are not attributable to an additional reservation of Credits, then the PAHEP Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but PAHEP Fund Total Capital shall not exceed 105% of the Capital Commitment unless further approved by the PAHEP Fund. PAHEP Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Capital Commitment. If those terms provide for a credit price less than the Credit Price, the General Partners can accept or reject those terms. Any Excess Credits that the PAHEP Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the PAHEP Fund shall be allocated to the General Partners.

B) Timing Adjuster: The Capital Commitment of the PAHEP Fund shall be reduced by 70% of the shortfall between the Credits actually delivered and the Credits estimated to be delivered in the first and second year of credits. The Capital Commitment of the PAHEP Fund shall be adjusted if and to the extent that the PAHEP Fund is admitted after Credits have begun to run.

V. GENERAL PARTNER OBLIGATIONS

A) Construction Completion: The General Partner will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, costs necessary to fund reserves required to be funded at or before permanent loan closing, and that the debt service on the permanent financing will not exceed an amount that would allow the Partnership to achieve Stabilized Operations within a reasonable time. Any excess costs will not be considered loans or capital contributions. However, the General Partners will also advance funds as needed during construction if proceeds of financing and/or capital contributions are not yet available to pay such costs. Such advances will be repaid, without interest, once such sources of funds become available.

B) Operating Deficits:

a. The General Partner will guarantee operating deficits to the Partnership until the Project has achieved Stabilized Operations;

b. Commencing with Stabilized Operations, the General Partners will guaranty that the Partnership will have sufficient funds to remain current in its obligations and that General Partners will make subordinated, interest-free loans to the Partnership to the extent necessary to meet obligations, including Asset Management Fee, debt service, and the funding of reserves, for the period beginning with the Stabilization Capital Contribution and ending on the December 31st which (i) is at least 5 years following the Stabilization Capital Contribution and on which each of the following is true:

(1) In each of the three preceding calendar years, the Partnership has achieved a 1.20:1 debt service coverage ratio, determined on an annual basis as shown in the audited financial statements for such years;
(2) The General Partners have not been required to make any payments or loans to the Partnership under the Operating Deficit Guaranty in the preceding three calendar years;
(3) The Partnership is current with regards to all liabilities;
(4) The Partnership's Replacement Reserve account balance is an amount equal to 80% of the Annual Replacement Reserve times the length of time since completion of construction or rehabilitation; and
(5) The General Partners have not been obligated to make any payments under the Tax Credit Guaranty within the preceding three calendar years.
(6) The balance in the Operating Reserve Account must not be less than the Operating Reserve Minimum.

Notwithstanding any termination of the Operating Deficit Guaranty Period or any limitation on the maximum liability of the General Partners under the Operating Deficit Guaranty, the General Partners shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any property tax abatement expected to be received by the Project.

Notwithstanding any termination of the Operating Deficit Guaranty Period or any limitation on the maximum liability of the General Partners under the Operating Deficit Guaranty, the General Partners shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any rental assistance contract or agreement expected to be received by the Project.

Operating deficit loans shall not bear interest and shall be payable on a subordinated basis from available cash, including Cash from Operations and Sale Proceeds.

The maximum obligations of the General Partners under this Operating Deficit Guaranty will not exceed $140,000 (approximately 6 months of projected operating expenses, debt service and replacement reserves).

C) Tax Credit Guaranty: The General Partners will guaranty that expected Credits will be available to the PAHEP Fund and Credits taken will not be recaptured. If the actual annual Credits available to the PAHEP Fund in any year are lower than the Credits expected, the General Partners shall reimburse the PAHEP Fund for the shortfall on a dollar for dollar basis. If it is determined that the shortfall in Credits will apply to future years as well, General Partners will refund an amount equal to the present value of those future credits. If the PAHEP Fund is subject to recapture (including disallowance of credits) of previously claimed credits, the General Partners shall reimburse the PAHEP Fund for its recapture amount. To the extent that payments in respect of the Tax Credit Guaranty are taxable, the payments shall be grossed-up to reimburse the PAHEP Fund for the tax liability.

This guaranty shall apply to a period that ends at the end of the LIHTC compliance period.

The General Partners will not be obligated if the reduction in the amount of Credits or recapture is a result of a change in the tax law or the disposition by the PAHEP Fund of its interest.

To the extent that the General Partners have no obligation to compensate the PAHEP Fund for reduced or recaptured Credits or fail to make payments due to the PAHEP Fund under the Tax Credit Guaranty, the amounts necessary to compensate the PAHEP Fund, plus interest, will be paid as a priority from all available cash, including Cash From Operations or Sale Proceeds. In the case in which the General Partners are obligated to make payments under the Tax Credit Guaranty but fail to do so, such cash distributions shall not reduce the General Partners' obligations except to the extent that cash distributions paid to the PAHEP Fund would have otherwise been paid to the General Partners.

D) Repurchase: In the event that certain events occur, the PAHEP Fund shall have the right to require the General Partners to repurchase the PAHEP Fund's interest for a price that returns 110% of its investment to date plus interest and any tax liability attributable to such payment. Examples of such events include failure to complete construction, achieve breakeven operations or achieve Stabilized Operations by agreed-upon dates, failure to replace withdrawn commitments for, or close, permanent financing, loss of rental assistance, failure to qualify for at least seventy (70%) of the expected Credits, etc.

VI. GUARANTOR OBLIGATIONS

A) Guarantors shall collectively have a minimum net worth of $5,000,000 ($1,000,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.

B) Guarantors unconditionally guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of its obligations under the Development Agreement.

C) Guarantors shall provide such due diligence information as is necessary for PAHEP to ascertain their ability to perform under the guaranty of the General Partner's and Developer's obligations. Such information may include, without limitation, organizational and authority documentation for entity Guarantors, financial and tax return information, industry experience, references, credit inquiries and similar information. By execution of this letter, Guarantors agree to provide this information and authorize PAHEP to make third-party inquiries with respect to such matters.

D) The General Partners shall pledge their interests in the Partnership to secure their obligations under the Partnership Agreement

VII. RESERVES

A) Replacement Reserve: $9,000 per year ($300 per unit) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations, increased by 3% per year thereafter. In the aggregate, no more than $10,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the PAHEP Fund.

B) Lease-up Reserve: $50,000, to be funded at Construction Completion. The Lease-up Reserve shall be used to fund operating deficits prior to the Stabilization Capital Contribution. To the extent that funds remain in the Lease- Up Reserve after such contribution, these funds will be transferred to the Operating Reserve to meet the Operating Reserve Requirement and shall be held therein. If such transfer would cause the amount of the Operating Reserve to be greater than the amount otherwise required hereunder to be held in the Operating Reserve, then such excess amount may be used instead to pay deferred Development Fee (except to the extent that the Agency requires a minimum deferred Development Fee or there is no deferred Development Fee, in which case such amount shall remain in the Operating Reserve). To the extent the balance in the Operating Reserve exceeds the amount otherwise required hereunder at the end of the Operating Deficit Period, such excess shall be released from the reserve and distributed as Cash From Operations.

C) Operating Reserve: $137,480 to be funded into the operating reserve account (the "Operating Reserve Account") at the time of the funding of the Stabilization Capital Contribution. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed $10,000.00 shall be made only with the consent of the PAHEP Fund, which shall not be unreasonably withheld, delayed or conditioned. Operating Deficits shall be funded 50% from by the Operating Reserve and 50% under the Operating Deficit Guaranty; provided, that, notwithstanding anything to the contrary contained herein, the Operating Reserve Account may not be drawn down below $70,000 ("the Operating Reserve Minimum") unless the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Operating Deficits shall be funded 100% from the Operating Reserve once the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Should the balance in the Operating Reserve Account fall below the Operating Reserve Minimum, Net Cash Flow on each Payment Date will be deposited in the Operating Reserve Account to maintain such minimum balance.

VIII. FINANCING

A. Construction Financing

- a. Lender: TBD.
- b. Amount: $6,250,000.
- c. Rate: 3.50%.
- d. Maturity: 18 months.

B. Permanent Financing - First Mortgage

- a. Not to Exceed Amount: $1,000,000.
- b. Lender: TBD
- c. Funds at stabilization.
- d. Non recourse.
- e. Not tax-exempt bond financed.
- f. Term (years): 35 years.
- g. Amortization period (years): 35 years.
- h. Interest rate: 6.10%
  - i. Fixed.
  - ii. Annual payment: Not to exceed $69,785.
- i. Prepayment provisions: None.

C. Permanent Financing - Second Mortgage

- a. Not to Exceed Amount: $925,000.
- b. Lender: DHCD.
- c. Funds during construction.
- d. Non recourse.
- e. Not tax-exempt bond financed.
- f. Term (years): 17 years.
- g. Amortization period (years): 17 years.
- h. Interest rate: 2.00%.
  - i. Fixed.
  - ii. Annual payment: 50% of available cash flow.
- i. Prepayment provisions: None.

IX. DEVELOPER FEE

A) Estimated Development Fee: $1,300,000.

B) Development Fee is currently estimated to be paid as follows:

1. $418,824 (40% of the non-deferred fee) at Closing.
2. $104,706 (10%of the non-deferred fee) at Construction Completion.
3. $523,530 (50% of the non-deferred fee) at Stabilization.

E) If necessary, part of the development fee, currently estimated to be $252,940, will be deferred beyond the date of the PAHEP Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing. The General Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of twelve years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the Partnership can pay any amount of the deferred fee outstanding at that time.

C) Development Fee shall be pledged to secure the obligations of the General Partner and the Guarantors

D) If the Development Fee is fully paid (no deferred development fee), but there are excess sources of funds, such funds shall be contributed to the Operating Reserve and increase the amount of the Operating Reserve above the amount otherwise required hereunder. To the extent the balance in the Operating Reserve exceeds the amount otherwise required hereunder at the end of the Operating Deficit Period, such excess shall be released from the reserve and distributed as Cash From Operations.

X. ALLOCATION OF DISTRIBUTIONS

A) Asset Management Fee: The PAHEP Fund shall receive an annual asset management fee of $4,000, increasing at 3% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee must be paid in order for the Partnership to remain current.

B) Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service, property management fee and asset management fee), will be made as follows:

i. to the Limited Partner for any so called "phantom income" tax liability incurred by the Limited Partner;
ii. to the Limited Partner, to make any payment of any amounts owed, including any amounts to be paid under the Tax Credit Guaranty or payment of LIHTC shortfall or recapture amount not previously paid;

iii. to the payment of Operating Reserves as described in Paragraph VII (C);
iv. to the payment of any unpaid developer fee, until such fee has been paid in full;
v. to the payment of any debts owed to the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty; and
vi. 80% to the General Partner for the incentive management fee;
vii. the balance, 50% to the General Partner, 49.99% to the Limited Partner, and .01% to the Special Limited Partner.

In all events, the PAHEP Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners.

C) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:

i. to payment in full of any Partnership debts except those due to Partners and/or their affiliates;
ii. to the setting up of any required reserves for contingent liabilities or obligations of the Partnership;
iii. to the Limited Partner to make any payment of any amounts owed, including any amounts under the Tax Credit Guaranty or any payment of LIHTC shortfall or recapture amount not previously paid;
iv. to the payment of any debts owed to the General Partner or its affiliates including any unpaid developer fee;
v. to the Limited Partner for any excess or additional Capital Contributions made by it;
vi. to the Limited Partner in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; and the balance, 80.00% to the General Partner, 19.999% to the Limited Partner and .001% to the Special Limited Partner.

The distribution of Cash From Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

After the close of the compliance period, the General Partner, assuming it is a qualified non-profit organization (as defined by the IRS Code), will have a right of first refusal to purchase the property for a price which is not less than the principal amount of outstanding indebtedness secured by the building, all Federal, State, and local taxes attributable to such sale and any amounts due to the PAHEP Fund under the Tax Credit Guaranty. The amount of the purchase price attributable to taxes payable by the PAHEP Fund, if any, shall be distributed to the PAHEP Fund. The decision to sell the property (and thus trigger the right of first refusal) shall be subject to the approval of the PAHEP Fund.

XI. ALLOCATIONS OF PROFITS AND LOSSES

1. Operating Profits and Losses: 99.99% PAHEP Fund; 0.01% General Partner.
2. Credits and Depreciation: 99.99% PAHEP Fund; 0.01% General Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 80.00% to the General Partners and 20.00% to the PAHEP Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Income and Losses Prior to Credit Delivery: At the discretion of the PAHEP Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

XII. DEPRECIABLE BASIS

In the event that the General Partner is a tax exempt entity, allocations shall be structured as qualified allocations, so that the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years.

In the event that the General Partner is controlled by a tax exempt entity, it will make the election described in Section 168(h)(6)(F)(ii) of the Code, so that the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years.

XIII. DEFINITIVE DOCUMENTS

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Agreement of Limited Partnership Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. PAHEP will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

XIV. THE PAHEP FUND EXIT RIGHTS

The PAHEP Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the PAHEP Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the PAHEP Fund's interest, then the PAHEP Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

XV. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the PAHEP Fund and its investor members are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. PAHEP and the PAHEP Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the PAHEP Fund and the fund to be necessary), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by PAHEP and the PAHEP Fund investors.
5. Approval by the Investment Committee of PAHEP and the PAHEP Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).
8. During underwriting and due diligence, PAHEP will review the rental assistance agreement and market conditions, and may in its sole discretion determine that a Rental Assistance Transition Reserve or Rental Assistance Loss Guarantee be required as a requirement of Closing.

XVI. TERM

The initial term of this Agreement shall be for a period of 14 months from the date of this letter with a closing (Closing Date) no later than December 30, 2016 providing that PAHEP may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. PAHEP may extend the term of this Agreement up to 90 days beyond the initial term and both parties can agree in writing to an extension beyond that date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

XVII. EXCLUSIVITY

You acknowledge that the PAHEP Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. Furthermore, you agree to pay the PAHEP Fund its $25,000 legal reimbursement fee and to reimburse it for the due diligence expenses described below, regardless of whether or not the Investment closes, unless such failure to close was due to PAHEP inability to obtain Investment Committee or Investor approval.

The Partnership must provide at its expense a legal opinion acceptable to PAHEP. If required by an Investor in connection with its admission to the PAHEP Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

XVIII. LEGAL FEES

At the Closing, the Partnership shall pay $25,000 or greater negotiated amount to the PAHEP Fund as a legal reimbursement fee in respect of the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. A higher amount may be appropriate, for example, if the PAHEP Fund undertakes significant work to obtain the title policy, close complicated financings, etc. Such additional charges are subject to negotiation and no amount greater than $25,000 will be incurred or due to the PAHEP Fund from the Partnership without your agreement. You will be responsible for payment of the $25,000 or greater agreed upon due legal reimbursement fee whether or not the Investment closes, unless such failure to close was due to PAHEP inability to effect the Closing.

XIX. DUE DILIGENCE EXPENSES

Due diligence expenses for third party reports ordered by PAHEP shall be paid by the Partnership regardless of whether the Partnership has separately obtained such reports, including without limitation: market study, appraisal, environmental reports, subsurface investigation report, preconstruction review and construction inspections, credit reports and background investigations. Generally, such expenses shall be paid by the Partnership in connection with the Closing. If and to the extent that these expenses are paid by PAHEP, they shall be reimbursed by the Partnership regardless of whether or not the Investment closes, unless such failure to close was due to PAHEP inability to effect the Closing.

The Partnership must provide at its expense a legal opinion acceptable to PAHEP. If required by an Investor in connection with its admission to the PAHEP Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

XX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law.

XXI. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by October 30, 2015, this offer shall terminate.

By acceptance of this letter, you authorize Prestige Affordable Housing Equity Partners to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

Sincerely,

Rick Slagle
Vice President
PAHEP

Accepted:

____
By: General Partner

Attachment D

DHCD Letter Declining Funding

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

dhcd

WE ARE WASHINGTON DC

January 28, 2016

Pastor Christine Wiley
Covenant Full Potential Development Center
3845 South Capitol Street Southwest
Washington, DC 20032

RE: Covenant Senior Living and Community Wellness Center

Dear Pastor Wiley:

I am writing to inform you that the Covenant Senior Living and Community Wellness Center proposal was not selected to advance to the next stage of underwriting. Twenty-nine proposals were submitted for consideration. In total, $178 million dollars in gap financing was requested. The requests exceeded available resources. While the District is moving twelve projects onto the next stage of underwriting, this proposal is one of seventeen that was not selected to advance in this highly competitive process.

The Department of Housing and Community Development (DHCD) led the review process and received input from the Department of Energy and Environment (DOEE), DC Housing Finance Agency (DCHFA), Department of Human Services (DHS), Department of Behavioral Health (DBH) and the DC Housing Authority (DCHA).

The District is encouraged by the volume of thoughtful applications and appreciates the work that you invested in crafting this application. The Department acknowledges that this is not the news that you had hoped to receive. Please know that the next Request for Proposals will be published in March 2016. Staff from the Development Finance Division (DFD) will be available on or after February 15th should you want to debrief on this unsuccessful application. All such meetings will be scheduled by Ms. Mikaell Briscoe. Ms. Briscoe may be reached directly at Mikaell.Briscoe@dc.gov or at (202) 442-7143.

On behalf of the District, I thank you for your interest in sharing our mission to preserve and produce affordable housing throughout the District of Columbia.

Sincerely,

John Nathan Lestitian, Manager DFD

Cc. Allison Ladd, Chief of Staff

Attachment E

2016 DHCD NOFA Announcement

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
NOTICE OF FUNDING AVAILABILITY

Polly Donaldson, Director, Department of Housing and Community Development (DHCD), announces a Notice of Funding Availability (NOFA) for funding under the Home Investment Partnerships (HOME) program, the Housing Production Trust Fund (HPTF) program, the Community Development Block Grant (CDBG) program, the 9% Low Income Housing Tax Credit (LIHTC) program, the Housing Opportunities for Persons with AIDS (HOPWA) program, the Department of Behavioral Health (DBH) funds administered by DHCD, the District of Columbia Housing Authority's (DCHA) Local Rent Supplement Program (LRSP), Housing Choice Voucher Program (HCVP), the Annual Contributions Contract Program (ACC), and the Department of Human Services (DHS) supportive services funds for Permanent Supportive Housing.

AFFORDABLE HOUSING CAPITAL SUBSIDY (DHCD and DBH)
DHCD, on behalf of its partner agencies, will issue a Consolidated Request for Proposals (RFP) and will consider capital subsidy requests for the following project types:

- Funding for new construction or rehabilitation of vacant buildings (creating net new units), ONLY for units at 0-30% of AMI and 31-50% of AMI. Funded units may be within a mixed income or mixed-use building, but DHCD will not fund new units at higher AMIs.
- Preservation of existing affordable housing units for households at all income levels below 80% AMI.
- Acquisition or renovation of vacant buildings creating new units of affordable housing utilizing CDBG funds at all income levels below 80% AMI.

For new construction and vacant rehabilitation projects, DHCD will require at least a 5% set-aside of funded units as Permanent Supportive Housing (PSH). PSH programs must adhere to the Housing First model and all vacancies must be filled through the Coordinated Entry system. PSH projects will be also eligible for funding from the sources listed below.

OPERATING SUBSIDY (DCHA)
The District of Columbia Housing Authority's LRSP will provide project-based rental subsidies to units for qualified persons or households.

SUPPORTIVE SERVICES (DHS)
The Department of Human Services will provide funding to community based non-profit organizations to deliver intensive supportive services to single adult and family participants (who are chronically homeless, vulnerable, and face significant barriers to achieving self-sufficiency) in permanent supportive housing programs/projects funded through this NOFA.

The competitive Request for Proposals (RFP) will be released on Thursday, March 31, 2016 and applications will be due on Monday May 31, 2016.

Application materials, further instructions, and information about capacity building workshops will be available online at dhcd.dc.gov. The entire application and submission process will be online this year, and no hard copy submissions will be required or accepted.