NEW ISSUE-FULL BOOK ENTRY **Rating: S&P "A+"**
See "RATING" herein.

$75,000,000
PRESERVATION OF AFFORDABLE HOUSING, INC.
TAXABLE BONDS, SERIES 2022 (SUSTAINABILITY BONDS)

$75,000,000 4.479% Term Bond due December 1, 2032 Price 100.000% CUSIP No.† 74082VAA5

Dated: Date of Delivery

The above-described bonds (the "Bonds") will be issued by Preservation of Affordable Housing, Inc. ("POAH") pursuant to a Bond Indenture, dated as of April 1, 2022 (the "Bond Indenture"), by and between POAH and Wilmington Trust, National Association, as bond trustee (the "Bond Trustee"). The Bonds are issuable only as fully registered bonds in denominations of $5,000 and any integral multiple thereof. Interest from the date of delivery of the Bonds will be payable on each June 1 and December 1, commencing December 1, 2022.

The Bonds will be initially maintained in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to which payments of principal of, premium, if any, and interest on, the Bonds will be made by the Bond Trustee. Individual purchases will be made in book-entry form only. Purchasers of Bonds will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "registered owners" shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (hereinafter defined) of the Bonds. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments on the Bonds will be made directly to Cede & Co. Disbursement of such payments to DTC's Participants (hereinafter defined) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Direct Participants and DTC's Indirect Participants (hereinafter defined), as more fully described herein. See "APPENDIX E—BOOK–ENTRY SYSTEM" attached hereto.

The Bonds are subject to optional redemption prior to maturity as described herein. See "THE BONDS – Redemption Provisions" herein.

The Bonds constitute unsecured general obligations of POAH, and no specific POAH assets or revenues, other than amounts held in certain accounts established under the Bond Indenture, are pledged by the Bond Indenture for the payment of Bond debt service when due. Certain of POAH's assets are subject to legal restrictions and are not an anticipated source of payment of Bond debt service. See "SECURITY FOR THE BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS— Certain POAH Assets Are Subject to Legal Restrictions" herein.

INTEREST ON THE BONDS IS INCLUDED IN GROSS INCOME FOR FEDERAL, STATE, OR LOCAL INCOME TAX PURPOSES. For a more complete discussion of the tax aspects, see "CERTAIN U.S. FEDERAL TAX CONSIDERATIONS" herein.

POAH has designated the Bonds as "Sustainability Bonds" due to the nature of its organizational mission and the intended use of proceeds of the Bonds. Further, S&P Global Ratings has provided a second-party opinion that POAH's Sustainability Bond Framework comports with recognized standards and entitles the Bonds to be labeled as Sustainability Bonds. See "Sustainability Bonds" herein and "APPENDIX F—Framework Overview and Second Opinion by S&P GLOBAL RATINGS" attached hereto. See also "APPENDIX G—Form of Sustainability Bond Annual Reporting" attached hereto.

The Bonds are offered by Morgan Stanley & Co. LLC (the "Underwriter"), when, as and if issued, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Locke Lord LLP, Boston, Massachusetts, Bond Counsel to POAH. In addition, certain other legal matters will be passed upon for POAH by Locke Lord LLP, Boston, Massachusetts, Special Finance Counsel to POAH, and certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York or to DTC's custodial agent on or about April 20, 2022.

Morgan Stanley

Dated: April 12, 2022

† See the statement regarding CUSIP numbers under "GENERAL INFORMATION — CUSIP Information" herein.

GENERAL INFORMATION

No Offering May be Made Except by this Offering Memorandum. No dealer, broker, salesperson or other person has been authorized by Preservation of Affordable Housing, Inc. ("POAH") or Morgan Stanley & Co. LLC (the "Underwriter") to give any information or to make any representations with respect to this offering, other than as contained in this Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by POAH or the Underwriter.

No Unlawful Offer, Solicitation or Sale. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Use of this Offering Memorandum. This Offering Memorandum is provided in connection with the sale of the Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. This Offering Memorandum is not to be construed as a contract or agreement among POAH, the Underwriter and the purchasers or owners of any offered Bonds. This Offering Memorandum is being provided to prospective purchasers either in bound printed form ("original bound format") or in electronic format on the following website: www.munios.com. This Offering Memorandum may be relied upon only if it is in its original bound format or if it is printed in its entirety directly from such website.

Preparation of this Offering Memorandum. The information contained in this Offering Memorandum has been derived from information provided by POAH and other sources which are believed to be reliable. Additional information, including financial information, concerning POAH is available from POAH's website. Any such information that is inconsistent with the information set forth in this Offering Memorandum should be disregarded. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of POAH since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriter has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. References to website addresses presented herein, including POAH's website, are for informational purposes only and, unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Memorandum.

No Registration or Approval. The Bonds have not been registered with the United States ("U.S.") Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, in reliance upon the exemption from registration set forth in Section 3(a)(4) of such Act. Neither the SEC nor any other federal or state securities commission or regulatory authority has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

Public Offering Prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market; such stabilizing, if commenced, may be discontinued at any time.

Forecasts and Forward-Looking Statements. Statements contained in this Offering Memorandum that do not reflect historical facts are forward-looking statements. Forward-looking statements can be identified by words such as "estimate," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," "predict," "may," "should," and similar expressions. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Offering Memorandum. The forward-looking statements are based on various assumptions and estimates and are inherently subject to risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Offering Memorandum and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Bonds. All forward-looking statements included in this Offering Memorandum are based on information available on the date of this Offering Memorandum, and POAH assumes no obligation to update any such forward-looking statements.

Miscellaneous. Any references to internet websites in this Offering Memorandum are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Offering Memorandum.

In making an investment decision, investors must rely upon their own examination of POAH and the terms of the offering of the Bonds, including the merits and risks involved. Prospective investors should not construe the contents of this Offering Memorandum as legal, tax or investment advice.

The order and placement of materials in this Offering Memorandum, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Offering Memorandum, including the Appendices, must be considered in its entirety.

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SUMMARY OF THE OFFERING

Issuer	Preservation of Affordable Housing, Inc. ("POAH")
Securities Offered	Preservation of Affordable Housing, Inc. Taxable Bonds, Series 2022 (Sustainability Bonds) (the "Bonds") $75,000,000 4.479% Term Bond due December 1, 2032 Price 100.000%
Interest Accrual Date	Interest will accrue from the date of issuance.
Interest Payment Dates	June 1 and December 1, commencing December 1, 2022.
Redemption	The Bonds are subject to optional redemption by POAH, in whole or in part as described herein. POAH shall have the option to purchase any Bonds called for optional redemption as discussed more fully herein. See "THE BONDS—Redemption Provisions" herein.
Date of Issuance	April 20, 2022.
Authorized Denominations	$5,000 and any integral multiple thereof.
Security	The Bonds constitute unsecured general obligations of POAH, and no specific POAH assets or revenues, other than amounts held in certain accounts established under the Bond Indenture, are pledged by the Bond Indenture for the payment of Bond debt service when due. Certain of POAH's assets, including without limitation restricted cash are subject to legal restrictions and are not an anticipated source of payment of Bond debt service. No reserve fund is established for the Bonds. See "SECURITY FOR THE BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS— Certain POAH Assets Are Subject to Legal Restrictions" herein.
Form and Depository	The Bonds will be delivered solely in registered form under a book-entry system through the facilities of DTC. See "APPENDIX E—BOOK-ENTRY SYSTEM" attached hereto.
Use of Proceeds	The proceeds of the Bonds are expected to be used by POAH to (i) refinance certain existing debt obligations, (ii) finance additional mission aligned affordable housing projects, and (iii) pay costs of issuance of the Bonds. See "SUSTAINABILITY BONDS," "SOURCES AND USES OF FUNDS" and "UNDERWRITING" herein.
Rating	S&P: "A+"
Bond Trustee	Wilmington Trust, National Association
Sustainability Bonds	POAH has designated the Bonds as "Sustainability Bonds" due to the nature of its organizational mission and the intended use of proceeds of the Bonds. S&P Global Ratings has provided a second-party opinion that POAH's Sustainability Bond Framework comports with recognized standards and entitles the Bonds to be labeled as Sustainability Bonds. See "APPENDIX F—FRAMEWORK OVERVIEW AND SECOND OPINION BY S&P GLOBAL RATINGS" attached hereto. See also "APPENDIX G—FORM OF SUSTAINABILITY BOND ANNUAL REPORTING" attached hereto.

Offering Memorandum

Relating to

$75,000,000
PRESERVATION OF AFFORDABLE HOUSING, INC.
TAXABLE BONDS, SERIES 2022 (SUSTAINABILITY BONDS)

INTRODUCTION

This Introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a full review should be made of the entire Offering Memorandum, including the cover page and the Appendices (this "Offering Memorandum"), in order to make an informed investment decision. All statements contained in this Introduction are qualified in their entirety by reference to the entire Offering Memorandum. References to, and summaries of, provisions of the laws and administrative rules and regulations of any jurisdiction or of any contractual documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof.

General

The purpose of this Offering Memorandum is to set forth certain information concerning Preservation of Affordable Housing, Inc. ("POAH") and its $75,000,000 aggregate principal amount of Taxable Bonds, Series 2022 (Sustainability Bonds), dated their date of delivery (the "Bonds"). The Bonds are being issued by POAH pursuant to a Bond Indenture, dated as of April 1, 2022 (the "Bond Indenture"), by and between POAH and Wilmington Trust, National Association, as bond trustee (the "Bond Trustee"). **The Bonds constitute unsecured general obligations of POAH**. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Bond Indenture. See "APPENDIX C— FORM OF THE BOND INDENTURE" attached hereto.

POAH

POAH is a 501(c)(3) nonprofit organization that preserves, creates and sustains affordable rental homes for low- and moderate-income families, seniors and individuals. POAH is one of the largest nonprofit affordable housing developers and owners in the nation, with significant presence in key rental markets across the Northeast, Mid-Atlantic, Southeast, and Midwest. Since its founding, and as of December 31, 2021, POAH has acquired and developed a portfolio of 12,276 affordable rental apartments, serving just under 21,000 residents across 57 cities in 11 states and the District of Columbia. POAH executes its transactions in partnership with residents, owners, funders, public agencies and other stakeholders, and focuses on transactions that create rents that will remain affordable for the long-term. POAH, along with POAH Communities LLC, its wholly owned subsidiary, extend beyond building sustainable affordable housing by creating healthy communities of choice for residents, revitalizing entire neighborhoods, and providing amenities and services to promote resident success and economic security through its portfolio-wide Community Impact initiative. See "APPENDIX A— CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC." attached hereto for more information regarding POAH. See also "SUSTAINABILITY BONDS" herein.

The Bonds

The Bonds will be issued in denominations of $5,000 and any integral multiple thereof, will be dated their date of delivery and will mature on the date, and will bear interest at the rate, as shown on the front cover of this Offering Memorandum. Interest on the Bonds will be payable on each June 1 and December 1, commencing December 1, 2022. See "THE BONDS" herein.

Redemption

The Bonds are subject to optional redemption and purchase in lieu of redemption prior to maturity, in whole or in part on any date, at the option of POAH as described herein. See "THE BONDS—Redemption Provisions" herein.

Use of Proceeds

The proceeds of the Bonds are expected to be used by POAH to (i) refinance certain existing debt obligations, (ii) finance additional mission aligned affordable housing projects, and (iii) pay costs of issuance of the Bonds. See "SUSTAINABILITY BONDS" and "SOURCES AND USES OF FUNDS" herein.

Sustainability Bonds

POAH has designated the Bonds as "Sustainability Bonds" due to the nature of its organizational mission and the intended use of proceeds of the Bonds. Further, S&P Global Ratings ("S&P") has provided a second-party opinion that POAH's Sustainability Bond Framework comports with recognized standards and entitles the Bonds to be labeled as Sustainability Bonds. See "SUSTAINABILITY BONDS" herein and "APPENDIX F—FRAMEWORK OVERVIEW AND SECOND OPINION BY S&P GLOBAL RATINGS" attached hereto. See also "APPENDIX G—FORM OF SUSTAINABILITY BOND ANNUAL REPORTING" attached hereto.

Security for the Bonds

The Bonds constitute unsecured general obligations of POAH. The Bonds are not secured by a reserve fund, mortgage lien or security interest on or in any funds, property or other assets of POAH, except for funds held from time to time by the Bond Trustee in certain accounts established under the Bond Indenture for the benefit of the Holders of the Bonds. See "SECURITY FOR THE BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS—Certain POAH Assets Are Subject to Legal Restrictions" herein.

See "APPENDIX C— FORM OF THE BOND INDENTURE" attached hereto for the provisions relating to the rights and duties of POAH, the rights and remedies of the Bond Trustee and the Bondholders upon an event of default, provisions relating to amendments of the Bond Indenture and other Bond Indenture provisions.

Book-Entry Only System

When delivered, the Bonds will be registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"). DTC will act as the securities depository for the Bonds. Purchases of the Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Bonds will not receive physical delivery of certificated securities except under certain circumstances described in the Bond Indenture. The principal or Make-Whole Redemption Price of and interest on the Bonds are payable by the Bond Trustee to DTC, which will in turn remit such payments to the DTC Participants, which will in turn remit such payments to the Beneficial Owners of the Bonds. In addition, so long as Cede & Co. is the registered owner of the Bonds, the right of any Beneficial Owner to receive payment for any Bond will be based only upon and subject to the procedures and limitations of the DTC book-entry system. Purchasers may own beneficial ownership interests in the Bonds through DTC. See "APPENDIX E—BOOK-ENTRY SYSTEM" attached hereto.

Outstanding Indebtedness of POAH

POAH's outstanding long-term indebtedness as of December 31, 2021, totaled $1,108,053,600, approximately $68.2 million of which will be refinanced with the proceeds of the Bonds. In addition, POAH may issue Additional Bonds under the Bond Indenture without restriction from time to time, which may be secured on a parity basis with the Bonds, as described under "THE BONDS—Additional Bonds" herein.

THE BONDS

Description of the Bonds

Terms. The Bonds will be issued in fully registered form and will be payable as to interest on each June 1 and December 1 of each year, commencing December 1, 2022, during the term of the Bonds. The Bonds will be dated their date of delivery except with respect to Bonds authenticated and delivered on and after the first Bond Payment Date (as defined in the Bond Indenture). The Bonds shall bear interest from their date of delivery, shall mature on the date and shall bear interest prior to their date of principal payment, at the rate set forth on the cover page of this Offering Memorandum. The amount of interest payable on any Bond Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall be issued in denominations of $5,000 and any integral multiple in excess thereof. The Bonds will be registered under a book-entry system initially in the name of "Cede & Co.," as nominee of the securities depository and will be evidenced by a single Bond in the total principal amount of the maturity of the Bonds. Registered ownership of the Bonds, or any portions thereof, may not thereafter be transferred except as set forth in the Bond Indenture. So long as the Bonds are held in the book-entry system, DTC or its nominee will be the registered owner of the Bonds for all purposes of the Bond Indenture and the Bonds. So long as the Bonds are held in book-entry form through DTC, all payments with respect to principal of and interest on each Bond will be made pursuant to DTC's rules and procedures. See "APPENDIX E—BOOK-ENTRY SYSTEM" attached hereto.

Bond Trustee. Wilmington Trust, National Association is the Bond Trustee for the Bonds.

Medium and Place of Payment. Principal of, the Redemption Price or Make-Whole Redemption Price of, if any, and interest on the Bonds will be payable in the currency of the United States of America which, on the respective dates of payment of principal and interest, is tender for the payment of public and private debts.

Redemption Provisions

Optional Redemption. The Bonds are subject to redemption prior to their stated maturity in whole or in part, at the option of POAH, on any Business Day, (i) on or after June 1, 2032, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed, together with the interest, if any, accrued thereon from the most recent Bond Payment Date to which interest has been duly paid or provided for to the date fixed for redemption, or (ii) prior to June 1, 2032, at the Make-Whole Redemption Price, together with accrued interest to the date fixed for redemption.

"Make-Whole Redemption Price" shall mean the greater of:

(1) 100% of the principal amount of any Bonds being redeemed; or

(2) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Bonds being redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed), discounted to the date on which such Bonds are to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at the Treasury Rate plus 30 basis points. POAH shall retain, at its expense, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Bond Trustee and POAH may conclusively rely upon the calculations of such accounting firm or financial advisor in connection with, and determination of, the Make-Whole Redemption Price, and neither the Bond Trustee nor POAH will have any liability for their reliance.

"Treasury Rate" shall mean, with respect to any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Selection of Bonds for Redemption. If less than all of the Bonds are called for optional redemption, the Bond Trustee will select the Bonds or any given portion thereof to be redeemed from the Bonds Outstanding or such given portion thereof not previously called for redemption *pro rata.*

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for redemption prior to maturity, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

It is POAH's intent that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, POAH can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption randomly in accordance with DTC procedures, by lot. POAH can provide no assurance how DTC and other parties allocate redemption payments.

Notice of Redemption. After receipt of a written direction from POAH to the Bond Trustee to effect an optional redemption of Bonds, so long as DTC is acting as securities depository for the Bonds, notice of optional redemption, containing the information required by the Bond Indenture, will be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption, by the Bond Trustee to DTC (not to the Beneficial Owners of any Bonds designated for optional redemption). Pursuant to the Bond Indenture, if DTC is not acting as securities depository for the Bonds, notice of optional redemption will be mailed by the Bond Trustee to (i) the respective Holders of any Bonds designated for optional redemption at their addresses appearing on the Bond registration books of the Bond Trustee on the date such notice is mailed, and (ii) any successor securities depository. Notices to DTC shall be given by telecopy or by other electronic means at the time of the mailing of notices to Bondholders.

The notice with respect to any optional redemption of Bonds by POAH may state that: (i) such optional redemption is conditional upon the receipt by the Bond Trustee, on or prior to the date fixed for such optional redemption, of such moneys sufficient to pay the Redemption Price of, and accrued but unpaid interest to the redemption date on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Bonds shall not be required to be redeemed; and (ii) such notice is revocable at any time by the Bond Trustee, at the written direction of POAH, prior to the date fixed for redemption. In the event a notice of optional redemption of Bonds contains such conditions and sufficient moneys are not so received or the notice is so revoked, the optional redemption of Bonds as described in the conditional notice of redemption shall not be made and the Bond Trustee shall, within a reasonable time after the date on which such optional redemption was to occur, give notice to the persons and in the manner in which the notice of optional redemption was given, that sufficient moneys were not so received or the notice was so revoked and that there will be no optional redemption of Bonds pursuant to the notice of redemption.

The receipt by any Bondholder of any notice mailed pursuant to the provisions of the Bond Indenture shall not be a condition precedent to the redemption of any Bond. Failure by a Bondholder to receive any notice of optional redemption pursuant to the Bond Indenture, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for optional redemption.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, POAH shall execute and deliver, and upon receipt of a written authentication order of POAH, the Bond Trustee shall authenticate and provide a replacement Bond of the same maturity in a principal amount equal to the portion of such Bond not redeemed and deliver it to the registered owner thereof. The Bond so surrendered will be canceled by the Bond Trustee. POAH and the Bond Trustee will be fully released and discharged from all liability to the extent of payment of the redemption price for such partial redemption.

Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Bond Trustee, the Bonds, or portions thereof, so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds or portions thereof so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under the Bond Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All Bonds fully redeemed pursuant to the provisions described in the Bond Indenture shall be canceled upon surrender thereof and may be destroyed by the Bond Trustee, in accordance with applicable law and its customary procedures.

Purchase In Lieu of Optional Redemption. POAH shall have the option to purchase any Bonds called for optional redemption (the "Callable Bonds") in lieu of optional redemption of those Bonds. Such option may only be exercised by POAH upon delivery to the Bond Trustee of written notice from POAH at least two Business Days prior to the date set for dissemination of the notice of optional redemption for the Callable Bonds preceding the proposed optional redemption date for the Callable Bonds specifying that the Callable Bonds shall not be redeemed, but instead shall be purchased pursuant to the Bond Indenture. Upon delivery of such notice from POAH, the Callable Bonds shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Bonds. POAH's option to purchase the Callable Bonds shall be effective and contained in the notice of optional redemption/tender sent to the Holders of the Bonds indicating that POAH has exercised, or intends to exercise, such option. No further or additional notice to the Holders of the Bonds shall be required in connection with the purchase of Callable Bonds in lieu of optional redemption. The Callable Bonds purchased shall (i) not be cancelled or retired, but shall continue to be Outstanding under the Bond Indenture, (ii) be registered in the name of, or as directed by, POAH, and (iii) continue to bear interest at the rate provided for in the Bond Indenture. Notwithstanding any provision of the Bond Indenture to the contrary, if at any time the consent of the Holders of the Bonds of a particular percentage of the Bonds then Outstanding is required pursuant to the provisions of the Bond Indenture, any Bonds which have been purchased by POAH and are registered in the name of POAH or any of its affiliates in accordance with the provisions of the Bond Indenture shall be deemed not to be Outstanding under the Bond Indenture for purposes of obtaining such consent.

Acceleration

If any Bond Indenture Event of Default occurs under the Bond Indenture, including a Bond Indenture Event of Default resulting from a payment default on the part of POAH, the principal of the Bonds may be accelerated and become immediately due and payable, at par, with interest payable thereon to the accelerated payment date. **The Make-Whole Redemption Price will not be payable in the event of acceleration of the Bonds**. For a description of the Bond Indenture Events of Default under the Bond Indenture, see "APPENDIX C — FORM OF THE BOND INDENTURE" attached hereto.

Additional Bonds

In accordance with the Bond Indenture, POAH may issue Additional Bonds under the Bond Indenture without restriction from time to time, which may be secured on a parity basis with the Bonds, and upon receipt by the Bond Trustee of the following items: (i) an executed original counterpart or certified copy of the Supplement authorizing the series of Additional Bonds; (ii) a request and authorization by POAH to the Bond Trustee to authenticate and deliver the series of Additional Bonds describing such Additional Bonds, designating the purchasers or underwriters to whom such Additional Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of POAH; (iii) a certificate of POAH, signed by a POAH Representative, stating that POAH has no reason to believe that, upon issuance of the Additional Bonds, it will be in default in the performance of any of the terms, provisions or covenants of the Bond Indenture or of the Bonds and that all conditions precedent to the issuance and delivery of the Additional Bonds have not been satisfied and complied with; and (iv) one or more Opinions of Counsel to the effect that the Supplement has been duly authorized, executed and delivered by POAH and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid and binding agreement between the parties thereto and the Additional Bonds constitute valid, binding, general obligations of

POAH, enforceable in accordance with their terms and the terms of the Bond Indenture as supplemented by the Supplement. No Bondholder consent is required in connection with the issuance of Additional Bonds.

Additional Bonds may be issued pursuant to the Bond Indenture from time to time, that are consolidated with the Bonds or which are issued as a separate series of bonds. Additional Bonds consolidated with the Bonds pursuant to the terms of the Bond Indenture shall have the same interest rate, redemption provisions, maturity date and other terms (other than issue price) as the Bonds offered hereby, may have the same CUSIP number as the Bonds and shall be treated as a single series of Bonds for all purposes of the Bond Indenture.

The Bond Indenture also does not contain any restriction on the ability of POAH to incur or secure any other additional indebtedness, including, but not limited to, additional property level debt. See “SECURITY FOR THE BONDS” herein.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to POAH and the Bond Trustee. In addition, POAH may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners. If for either reason the Book-Entry-Only system is discontinued, Bond certificates will be delivered as described in the Bond Indenture and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner’s name, will become the Bondholder. Thereafter, the Bonds may be exchanged for an equal aggregate principal amount of the Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal Corporate Trust Office of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon assignment in form satisfactory to the Bond Trustee. For every exchange or registration of transfer of the Bonds, the Bond Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, and the Bond Trustee may also require the Bond owners requesting such exchange to pay a reasonable sum to cover any expenses incurred by POAH or the Bond Trustee in connection with such exchange. The Bond Trustee will not be required to exchange (i) any Bond during the fifteen (15) days preceding mailing of notice relating to Bonds selected for redemption or (ii) any Bond called for redemption.

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DESIGNATION OF THE BONDS AS SUSTAINABILITY BONDS

POAH is issuing the Bonds as Sustainability Bonds based on the intended use of proceeds of the Bonds to refinance a portion of POAH's existing debt, which was used by POAH to finance various affordable housing development projects incorporating resident supports and services as well as energy and water efficiency or renewable energy features, and to finance additional mission aligned affordable housing projects including pre-development expenses and/or additional portfolio refinancings. POAH's Sustainability Bonds designation reflects the use of the proceeds of the Bonds in a manner that is consistent with the "Green Bond Principles", "Social Bond Principles", and "Sustainability Bond Guidelines" as promulgated by the International Capital Market Association ("ICMA"). By reference to the ICMA's "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2020), POAH and S&P have determined that POAH's Sustainability Bonds designation reflects the use of the proceeds of the Bonds in a manner that is consistent with "Goal 1: No Poverty," "Goal 7: Affordable and Clean Energy," "Goal 10: Reduced Inequalities," and "Goal 11: Sustainable Cities and Communities" of the United Nations 17 Sustainable Development Goals (referred to as "UNSDGs" generally and "SDG 1," "SDG 7," "SDG 10," and "SDG 11," specifically). The UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 7 is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all, SDG 10 is focused on reducing inequality within and among countries, and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient, and sustainable.

The ICMA's "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" maps SDG 1.4 to ICMA Social Bond Principles "Affordable Housing," "Socioeconomic Advancement and Empowerment," and "Access to Essential Services;" SDG 1.5 to ICMA Green Bond Principle "Climate Change Adaptation;" SDG 7.1 to ICMA Social Bond Principle "Affordable Basic Infrastructure;" SDG 7.3 to ICMA Green Bond Principle "Energy Efficiency;" SDG 10.2 to ICMA Social Bond Principles "Access to Essential Services" and "Socioeconomic Advancement and Empowerment;" SDG 11.1 to ICMA Social Bond Principles "Affordable Housing," "Affordable Basic Infrastructure," and "Socioeconomic Advancement and Empowerment;" and SDG 11c to ICMA Green Bond Principles "Green Buildings." Such mapping is summarized in the table below.

UNSDG	Social Bond Principles	Green Bond Principles
Goal 1: No Poverty	Affordable Housing, Socioeconomic Advancement and Empowerment, Access to Essential Services	Climate Change Adaptation
Goal 7: Affordable and Clean Energy	Affordable Basic Infrastructure	Energy Efficiency
Goal 10: Reduced Inequalities	Socioeconomic Advancement and Empowerment, Access to Essential Services	
Goal 11: Sustainable Cities and Communities	Affordable Housing, Affordable Basic Infrastructure, Socioeconomic Advancement and Empowerment	Green Buildings

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Commitment to Affordable Housing and Sustainability

POAH's mission is to preserve, create, and sustain affordable, healthy homes that support economic security, and access to opportunity for all.

Since its inception in the late 1990s, POAH, as a nonprofit affordable housing developer, owner and operator, has built or preserved more than 12,000 affordable, healthy, service-enriched rental homes for low-income Americans.

POAH's current portfolio consists of 96% affordable units, and 85% of units receive tenant- or project-based rental assistance.

POAH's properties serve almost 21,000 residents across a wide range of household types in both family properties (55% of the portfolio) and senior communities (45% of the portfolio). About 29% of POAH's residents are children under age 18; 38% of residents are seniors (55+).

Many POAH residents are members of historically excluded or disenfranchised identity groups, and POAH's housing mission explicitly focuses on the potential for affordable housing to counteract the legacy of exclusion. More than 60% of POAH's residents are Black, Indian or People of Color ("BIPOC"), and 63% are female – notably, 71% of heads of household are women. At least 17% of POAH's residents are persons with disabilities.

<u>Overview of POAH Households</u>

	POAH Portfolio
Average Yearly Household Income ($)	$16,500
Average Yearly Household Income (% of AMI)	23%
Average Household Assets ($)	$5,224
Female Head of Households (%)	71%
Share of BIPOC Residents (%)	60%

<u>Households by % of AMI</u>

% of AMI	# of Households	% of Households
< 10%	1,827	16.6%
10-20%	4,246	38.5%
20-30%	2,276	20.6%
20-40%	1,187	10.8%
40-50%	715	6.5%
50-60%	399	3.6%
60-70%	145	1.3%
70-80%	100	0.9%
80-90%	49	0.4%
90-100%	30	0.3%
> 100%	50	0.5%
Total	**11,024**	**100%**

POAH's affordable units are generally targeted to households most in need, and therefore its residents are very low-income, on average. Average household income earned across all POAH properties is $16,500 per year, or an average of 23% of Area Median Income ("AMI"), and average household assets are $5,224.

POAH is deeply committed to providing both stable affordable housing and additional supports and services to help its residents attain their own goals. This commitment begins with POAH's Community Impact Coordinators ("CICs"), site-based staff who provide residents with direct support and connections to community resources across the portfolio. 91 POAH properties, comprising 81% of all units, have CICs either onsite or shared with other nearby properties.

Another key part of POAH's resident services is POAH's Family Self Sufficiency ("FSS") program, which provides personal financial coaching and significant financial incentives to help families increase employment, earnings, and savings. As of December 31, 2021, POAH offered the FSS program at 30 properties representing 42% of family units; POAH plans to expand its FSS program to all eligible properties in the next five years.

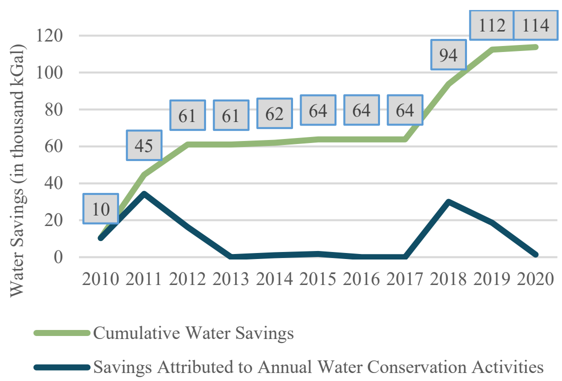
POAH's other resident initiatives include a multi-site effort to develop trauma-informed practices in property management, voter registration and mobilization, and much more. For more information on these programs, see "APPENDIX A— CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC. — Community Impact" attached hereto. For information on resident-focused initiatives in POAH's new five-year strategic plan, see "APPENDIX A — CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC. — Strategic Plan" attached hereto.

POAH has also long been focused on ensuring its affordable housing communities are as environmentally sustainable and energy efficient as possible. This commitment has multiple drivers, including lowering energy and water usage to save money for residents and to improve properties' financial viability, as well as improving sustainability to reduce the disproportionate harm that climate change is having on low-income individuals and their communities.

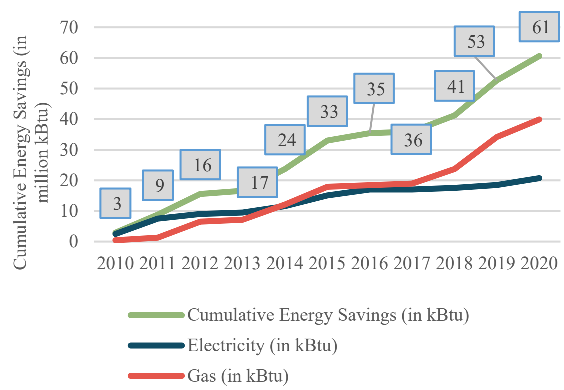
In 2013, POAH committed to a 20% reduction in energy use intensity (kBtu/sq ft) across its portfolio as part of the US Department of Energy's Better Buildings Challenge, and achieved that goal in 2020 through intensive retrofits across its properties.

POAH does ongoing analysis of property utility usage to identify and target high energy and water users for retrofits to improve efficiency, or installation of renewable energy systems. Since 2010, POAH has implemented more than 340 discrete water and energy projects across its portfolio, with a total cost of over $15 million. In the aggregate, these projects are producing annual reductions totaling more than 10 million pounds of CO_2 avoided, over 100 million gallons of water saved, and over 60 million kBTUs of energy saved each year, combining to save more than $2.5 million annually on utility expenses. The charts below demonstrate the cumulative water and energy savings over the 2010-2020 period.

Cumulative Water Savings



Cumulative Energy Savings



In addition to retrofits, POAH has worked hard to deploy renewable energy at its existing properties. To date, POAH has installed solar photovoltaic panels at 10 properties (totaling almost 490kW), solar thermal systems at 15 properties, and 42 properties are purchasing their electricity through community solar subscriptions. Additional renewable energy installations are in the pipeline.

POAH also prioritizes sustainability and energy efficiency in scoping and design for both new construction and major renovation projects. This commitment begins with POAH's Basis of Design, an open-source design guidelines used by POAH project managers and their design partners to ensure proper methods, equipment, and materials make their way into each and every rehabilitation and new construction project. POAH's Basis of Design incorporate numerous environmental standards, including:

- All enclosures must be capable of meeting Passive House heating and cooling performance requirements and all new construction and deep retrofit projects are to be built to Passive House standards by 2025
- Building water heaters must be Energy Star certified
- All appliances to be Energy Star certified
- All lighting to be LED and Energy Star certified
- All windows and external doors to be Energy Star rated
- All thermostats must be programmable into a tenant mode to conserve energy
- All water fixtures must be low flow (toilets, faucets, showerheads)

POAH also prioritizes third-party green building certifications for new construction and major renovation projects to ensure its communities are environmentally sustainable and resource efficient. To date, 15 POAH properties have received some sort of green building designation (e.g. LEED, Enterprise Green Communities, Energy Star for New Construction). All 22 new construction projects in POAH's current pipeline will be built to a green building standard (6 LEED, 11 Passive House, 3 EGC, 2 other/to be determined). All major renovation projects are designed for at least 20% reduction in energy/water use, and 18 of 27 current pipeline renovation projects are using the Enterprise Green Communities checklist or another green standard (5 are to be determined). POAH's new strategic plan sets a goal to achieve Passive House US certification on all new construction projects by 2025.

Please see "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC. —Exhibit B—Owned Real Estate Portfolio as of December 31, 2021" attached hereto for additional details on the social and environmental aspects of POAH's existing portfolio.

Use of Proceeds

POAH's net bond proceeds are expected to be used as follows: (i) $14.7 million to refinance and consolidate corporate debt, (ii) $53.5million for property debt refinancing, and (iii) $5.8 million for other mission aligned projects to promote affordable housing, including financing pre-development expenses for properties in POAH's development pipeline and/or refinancing additional property debt. POAH may recycle and redeploy the capital for mission-driven, corporate purposes to further accelerate availability of affordable housing.

<u>(i) Refinancing Corporate Debt</u>

$14.7 million of Bond proceeds are expected to be utilized for refinancing three loans taken on by POAH LLC to finance POAH's overall mission, including its acquisition and development activities. Properties acquired and developed with these funds were accretive to POAH's socially conscious portfolio of 96% affordable units and house a diverse set of low-income, at-risk residents. These loans also financed property development and acquisition that included sustainability-driven upgrades and certifications. The table below details the corporate loans which POAH expects to refinance along with providing additional detail on the uses of the refinanced loans.

Lender	**Paydown Amount**
Benefit Chicago	$3,000,000
BPB Amortizing	4,436,052
Calvert Social Investment Foundation	7,225,000
Total	**$14,661,052**

<u>(ii) Refinancing Property Debt</u>

$53.5 million of Bond proceeds are expected to be utilized for refinancing loans which financed acquisition and/or development of specific POAH properties. Of this, $6.8 million of Bond proceeds are expected to be utilized for refinancing loans held by POAH at the corporate level and $46.8 million are expected to be utilized for refinancing loans that are held by POAH at the property level. More than 95% of the units are affordable at restriction levels ranging from 30% to 80% of AMI. Average household income for these properties is 26% of AMI. To date, POAH has made energy retrofits impacting 62% of all units on the list of targeted properties, and water retrofits impacting 61% of units. One of the properties, Woodlawn Station, is an Enterprise Green Communities certified property. Three properties have also had solar energy retrofits, including adding solar thermal energy collectors and storage equipment, and 7 have community solar subscriptions. 44 sustainability-driven projects have been completed on the following properties.

The following table details the refinanced property debt and describes the social and environmental aspects of each property. POAH may substitute other properties for the refinanced targets described in the table below.

Property	Loan Amount	Social Characteristics	Environmental Improvements
Briston Arms[1]	$1,063,557	• 119 out of 154 units are affordable (77%) • Rent levels 30-60% AMI • Average household income is 23% AMI • Family Self Sufficiency (FSS) program	• Heat pump conversion, air sealing and insulation upgrades, 30 solar collectors and 9, 118 gal solar hot water storage tanks
The Freelon at Sugar Hill[2]	5,017,708	• 20 out of 68 units are affordable (29%) • 14 service enriched units for veterans • Retail spaces leased to BIPOC social entrepreneurs	• New construction (2022) to be Enterprise Green Communities certified
Woodlawn Station[3]	695,295	• 55 out of 70 units are affordable (79%) • Rent levels 30-60% AMI • Average household income is 31% AMI • Served by POAH Woodlawn Resource Center	• Energy star certified property, insulation upgrades, installed heat pumps, installed on-site solar thermal collector • Located at CTA Green Line Cottage Grove station
Heritage Village Apartments	13,499,407	• 204 out of 204 units are affordable (100%) • Rent levels 60-80% AMI • Average household income is 34% AMI • Community Impact Coordinator (CIC) onsite • Family Self Sufficiency (FSS) program	• Upgrading hydronic heating supply pumps, LED upgrades, DHW control installations, air sealing/insulation
Hillcrest Village Apartments	9,419,079	• 130 out of 130 units are affordable (100%) • Rent levels 60-80% AMI • Average household income is 19% AMI • Community Impact Coordinator (CIC) onsite	• Lighting upgrade, toilet aerator installations, DHW control installations, heatwatch sensor installation

[1] Property-specific loans are held by POAH at the corporate level
[2] Ibid
[3] Ibid

Property	Loan Amount	Social Characteristics	Environmental Improvements
Pocasset Manor	4,782,108	• 82 out of 82 units are affordable (100%) • Rent levels 60-80% AMI Average household income is 19% AMI • Community Impact Coordinator onsite	• Lighting upgrade (fridges and exterior), heatwatch sensor installation, 82 AC covers
Sugar River Mills	4,696,035	• 162 out of 162 units are affordable (100%) • Rent levels 50-60% AMI • Average household income is 26% AMI • Community Impact Coordinator onsite	• Installed 40 solar collectors and 6, 200 gallon solar hot water storage tanks, lighting upgrades
Cocheco Park Apartments	3,972,795	• 78 out of 78 units are affordable (100%) • Rent levels 50-80% AMI • Average household income is 21% AMI	• Lighting upgrades
Hillside Village Apartments	3,028,951	• 42 out of 42 units are affordable (100%) • Rent levels 60-80% AMI • Average household income is 29% AMI • Family Self Sufficiency program offered onsite	• Lighting upgrades (exterior, common area, in-unit), DHW control installations, toilet aerator installations
Fieldstone Apartments	1,897,317	• 24 out of 24 units are affordable (100%) • Rent levels 60-80% AMI • Average household income is 31% AMI • Community Impact Coordinator shared with nearby sites	• Lighting upgrades (exterior, common area), air sealing, fridge upgrades
Crestview Village Apartments (IL)	2,215,116	• 132 out of 132 units are affordable (100%) • Rent levels 50-60% AMI • Average household income is 41% AMI • Community Impact Coordinator onsite	• Lighting upgrades, toilets, faucet aerators, DHW upgrades. • Community solar subscription
Navarre Garrone	1,039,735	• 62 out of 62 units are affordable (100%) • Rent levels 35-80% AMI • Average household income is 20% AMI • Community Impact Coordinator shared with nearby sites • Family Self Sufficiency program	*Recent acquisition / no retrofits to date*

Property	Loan Amount	Social Characteristics	Environmental Improvements
Country Club Village I Apartments	634,031	• 70 out of 70 units are affordable (100%) • Rent levels 60-80% AMI • Average household income is 31% AMI • Family Self Sufficiency program	
Maplewood Manor Apartments	493,800	• 60 out of 60 units are affordable (100%) • Rent levels 60% AMI • Average household income is 23% AMI	
Highland Meadows Apartments	391,264	• 44 out of 44 units are affordable (100%) • Rent levels 60% AMI • Average household income is 42% AMI	• Toilet aerator installations
Crestview Village Apartments (MO)	356,666	• 48 out of 48 units are affordable (100%) • Rent levels 60% AMI • Average household income is 12% AMI • Community Impact Coordinator onsite	• Lighting upgrades, air sealing and insulation upgrades, DHW control installations, toilet aerator installations
Monroe Estates	328,236	• 74 out of 74 units are affordable (100%) • Rent levels 60% AMI • Average household income is 20% AMI	• Toilet aerator installations
Total	**$53,531,100**		

(iii) Additional Mission Aligned Uses

The remainder of the Bond proceeds, in an estimated amount of $5.8 million, are expected to be utilized for other mission aligned projects to promote affordable housing, including financing pre-development expenses for properties in POAH's development pipeline and/or refinancing additional property debt. As previously mentioned, the social and environmental components for properties in POAH's development pipeline are detailed in "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—Exhibit C— Development Pipeline as of December 31, 2021" attached hereto and for properties in POAH's existing portfolio are detailed in "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—Exhibit B—Owned Real Estate Portfolio as of December 31, 2021" attached hereto. All of projects in POAH's development pipeline are subject to POAH's Basis of Design.

Process for Evaluation & Selection

As described in 'Commitment to Affordable Housing and Sustainability,' POAH's mission is to preserve, create, and sustain affordable, healthy homes that support economic security, and access to opportunity for all. As such, POAH's management and Board evaluated all of the financed projects associated with the refinanced debt to further its mission and pursuant to its 'Internal Investment Committee,' 'External Investment Committee,' and 'Criteria for New Opportunities,' as described in "APPENDIX A— CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC." Similarly, Bond proceeds used for additional mission aligned uses will be selected pursuant to POAH's 'Criteria for New Opportunities' and subject to review and approval by POAH's 'Internal Investment Committee' and 'External Investment Committee.'

Management of Proceeds

Net of certain transaction costs, the proceeds of the Bonds will be deposited into a separate account, held by POAH. The Bond proceeds will not be comingled with existing investment accounts or invested as part of the regular investment portfolio and will be deposited in a separate interest-bearing account until disbursed to finance an eligible property and/or use of proceeds. See "SECURITY FOR THE BONDS" herein.

Post-Issuance Reporting

POAH expects to provide annual updates, as of the last day of each fiscal year commencing with calendar year 2022, regarding the disbursement of the Bond proceeds used to finance affordable housing properties. The disclosure is expected to be provided in similar form as outlined in APPENDIX G—FORM OF SUSTAINABILITY BOND ANNUAL REPORTING" attached hereto. POAH intends to publish these ongoing property disclosures on its website. Once all net proceeds of the Bonds have been spent to refinance the described projects, no further updates will be provided with respect to the Bonds. In addition to the 'Form of Sustainability Bond Annual Reporting,' POAH also expects to provide annual updates on its owned real estate portfolio for as long as the Bonds are outstanding. This disclosure is expected to be provided in similar form as disclosed in "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—Exhibit B—Owned Real Estate Portfolio as of December 31, 2021" attached hereto. Updated disclosures on POAH's owned real estate portfolio will include affordability metrics including average household income, share of affordable units across each property, and rent levels. Environmental disclosures to be provided will include types of environmental upgrades made, such as energy retrofits, water retrofits, renewable technology, and green building designations. The continuation of such ongoing project disclosure is voluntary, does not constitute a covenant of POAH, and failure by POAH to provide such updates shall not constitute a default or an event of default under the Bond Indenture. Annual property disclosures will be provided on the following website: https://www.poah.org/investor-information.

Designation Does Not Involve Provision of Additional Security or Assumption of Special Risk

The term "Sustainability Bonds" is neither defined in nor related to provisions in the Bond Indenture. The use of such term in this Offering Memorandum is for identification purposes only and is not intended to provide or imply that an owner of Bonds so designated are entitled to any additional security beyond that provided therefore in the Indenture. Holders of the Bonds do not assume any specific risk with respect to any of the funded properties by reason of the Bonds being designated as Sustainability Bonds.

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SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied to (i) refinance certain existing debt obligations, (ii) finance additional mission aligned affordable housing projects, and (iii) pay costs of issuance of the Bonds, as shown below:

Sources of Funds:	
Par Amount of the Bonds	$75,000,000
Total Sources	$75,000,000
Estimated Uses of Funds:	
Transfer to POAH	$73,950,968
Underwriter's Discount	575,282
Costs of Issuance[(1)]	473,750
Total Uses	$75,000,000

[(1)] Costs of issuance includes legal fees and other expenses, including certain financial structuring and advice fees to be paid to the Underwriter.

DEBT SERVICE REQUIREMENTS

The following table sets forth the projected amounts required to be paid by POAH, as principal of, interest on and total debt service on the Bonds during each twelve-month fiscal year ending December 31 through the last scheduled maturity of the Bonds. Columns may not add to total due to rounding.

Fiscal Year Ending December 31,	Principal on Bonds	Interest on Bonds	Total Debt Service on Bonds
2022	-	$2,062,206	$2,062,206
2023	-	3,359,250	3,359,250
2024	-	3,359,250	3,359,250
2025	-	3,359,250	3,359,250
2026	-	3,359,250	3,359,250
2027	-	3,359,250	3,359,250
2028	-	3,359,250	3,359,250
2029	-	3,359,250	3,359,250
2030	-	3,359,250	3,359,250
2031	-	3,359,250	3,359,250
2032	$75,000,000	3,359,250	78,359,250

SECURITY FOR THE BONDS

The Bonds shall be unsecured general obligations of POAH, payable by POAH from its unrestricted revenue and unrestricted assets and from certain funds and accounts established under the Bond Indenture. **In addition, no reserve fund is established for the Bonds**. See "CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS" herein.

Certain of POAH's assets, including, but not limited to, restricted cash, are subject to legal restrictions that prevent the effective pledge of such assets as security for POAH debt, including the Bonds. Investors cannot and should not assume that any portion of POAH's restricted cash will be available to satisfy obligations incurred by POAH with respect to any POAH debt, including the Bonds.

The Bond Indenture does not contain any financial covenants and does not limit POAH's incurrence or securing of additional debt or the types, diversification and terms of investments it makes in pursuit of its

mission. Further, POAH is not required by the Bond Indenture to produce revenues at any specified level or to maintain assets at any specified level.

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

Prospective purchasers of the Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in the Bonds. Purchase of the Bonds involves investment risk. Some of the factors which may affect the actual financial results of POAH are described below. Accordingly, prospective purchasers should consider carefully the following investment considerations and risk factors, in addition to the other information concerning POAH contained in this Offering Memorandum, before purchasing the Bonds offered hereby.

COVID-19

The worldwide outbreak of a highly contagious, upper respiratory tract illness caused by a novel strain of coronavirus ("COVID-19") and the measures taken by federal, state and local governments in response thereto have affected individuals and businesses in a manner that to an unknown extent has had and may continue to have negative effects on economic activity across the country and the states in which POAH conducts business, and may adversely affect the financial condition and operations of POAH. For a description of the impacts of COVID-19 on the operations and finances of POAH and the measures taken by POAH in response to COVID-19 see "APPENDIX A — CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC. – Real Estate Portfolio – POAH's Response to COVID-19" and " – Community Impact – POAH's Community Impact Response to COVID-19" attached hereto.

Factors Potentially Affecting Revenue and Expenses

The Bonds are payable solely from and secured by payments to be made by POAH as and to the extent received by the Bond Trustee and deposited into the Bond Fund established pursuant to the Bond Indenture. There can be no assurance that the revenue and assets of POAH will provide sufficient funds to pay the principal of or interest on the Bonds when due. Total debt service of POAH's debt is expected to vary in each year through the final maturity of the Bonds. See "DEBT SERVICE REQUIREMENTS" herein. Revenue available to pay debt service may also vary from year to year while the Bonds are outstanding. POAH expects to be able to manage these variations through its financial planning and its commitment of financial resources.

POAH currently derives most of its revenue from rental income, developer fees, grants and investment income. Over the term of the Bonds, various contingencies and uncertainties could adversely affect these sources of revenue, including, among other factors, volatility in the financial markets and economic conditions, which in turn may affect the collection of rental income and generation of developer fees. Generation of developer fees may also be adversely impacted by reduction or elimination of governmentally provided or subsidized funding for affordable housing development, curtailment or elimination of the federal low-income housing tax credit ("LIHTC") program or economic conditions or changes in the tax law which reduce the value of or demand for LIHTC. Curtailment or elimination of rent subsidy programs would negatively impact collection of rental income and could negatively impact generation of developer fees. Increase in interest rates, increase in construction costs and other development costs and land costs, particularly in combination with reduction in government financing sources could negatively impact the ability to do new projects and generate developer fees. See also "—Risks Associated with Real Estate Development" below.

POAH does not rely upon fundraising to further its mission, as surpluses from operations have been sufficient to cover POAH's activities to date. No assurance, however, can be given that such earnings results will continue in the future. For additional information on POAH see "APPENDIX A — CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC." and "APPENDIX B-1 — "CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017 AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016" attached hereto.

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Indenture. In the event of a default and the exercise by the Bond Trustee of available remedies, the Bond Trustee would be an unsecured creditor with respect to any specific revenues, property or assets of POAH other than any amounts held by it under the Bond Indenture. Any attempt by the Bond Trustee to enforce these remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Bond Indenture may not be readily enforceable. For example, a court may decide not to order the specific performance of the covenants contained in the Bond Indenture if it determines that monetary damages will be an adequate remedy. See "ENFORCEABILITY OF REMEDIES" herein.

Basis of Rating

The rating that is assigned to the Bonds upon their initial issuance is based upon the views of the rating agency at such time. POAH has not covenanted to maintain the applicability of such rating to the Bonds. The financial condition and affairs of POAH, and the evaluations of the rating agency of such matters, may change in a manner which could cause the rating agency to suspend, reduce or withdraw the rating that it has previously assigned to the Bonds. Any such adverse rating action, or any statement by a rating agency that it is considering such an action with respect to the Bonds, is not a default under the Bond Indenture but may adversely affect the market value of the Bonds and the existence of a secondary market for the Bonds. See "RATING" herein.

There is no assurance that the credit rating assigned to POAH at the time of issuance of the Bonds or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for such Bonds.

Secondary Markets and Prices

Morgan Stanley & Co. LLC (the "Underwriter") will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance is given that the initial offering price for the Bonds will continue for any period of time.

Certain POAH Assets Are Subject to Legal Restrictions

POAH's restricted cash is subject to legal and donor restrictions that may preclude or significantly restrict its use and, in some cases, may preclude any material changes in use or that may condition such actions upon certain approvals. **The obligation of POAH to repay the Bonds is not secured by any lien on, or other interest in, POAH's assets or revenues**.

Federal and State Laws

POAH and its operations and assets are subject to regulation and certification by various federal, state and local government agencies, including its designation as a tax-exempt 501(c)(3) organization by the United States Internal Revenue Service. Such regulations and standards are subject to change, and there can be no assurances that in the future, POAH will meet any changed regulations and standards or that POAH will not be required to expend significant sums to comply with changed regulations and standards. No assurance can be given as to the effect on POAH's future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards.

A loss of 501(c)(3) tax exemption by POAH could result in income taxability of its earnings and a loss of access to favorable funding sources and reputational harm.

Although the specific changes and the ultimate timing of any future federal income tax reform, if implemented at all, are currently unknown, federal income tax reform could have an adverse effect on POAH, particularly to the extent of changes impacting low-income housing tax credit programs.

Future changes in federal or state laws may also adversely affect POAH's ability to continue to access financing.

Unsecured Bonds; Limited Covenants

The Bonds will be unsecured general obligations of POAH. The Bond Indenture contains no financial covenants and does not restrict POAH's ability to incur, secure or make payments on other indebtedness, make loans to or investments in its affiliates or otherwise limit POAH's operations. For a description of the covenants contained in the Bond Indenture, see "APPENDIX C— FORM OF THE BOND INDENTURE" attached hereto. No reserve fund has been, nor will be, established to provide for repayment of the Bonds.

Risks Associated with Real Estate Development

Development, ownership and operation of real estate and multifamily housing projects involves certain risks. The development of, the value of projects and properties and the revenue generated by these projects and properties may be adversely affected by a number of factors, including:

- national and local economic conditions;
- local real estate conditions (such as the possible future oversupply and lagging demand);
- community acceptance of low income multifamily housing;
- shortages of materials, strikes, acts of nature, pandemics, permitting issues, environmental regulations, legal challenges and delays in obtaining utilities connections or certificates of occupancy;
- changes in the costs of construction, interest rate levels and the availability of financing;
- changes to the availability of governmentally provided or subsidized funding for affordable housing development or government rental subsidy;
- changes in law adversely impacting the value of LIHTC; and
- damage caused by adverse weather, climate change, as well as uninsured losses therefrom.

POAH's business is dependent upon successful execution of affordable housing development projects, from which it derives substantial developer fees. For each development project, POAH or an affiliate provides guaranties, including repayment and completion guaranties, to construction lenders, environmental indemnities to permanent lenders, and for LIHTC projects, guaranty to the tax credit investor of completion, delivery of the tax credits, project operating deficit guaranties and other guaranties standard in the industry. Difficulties facing a project's development and/or operation could result in financial obligations for POAH as a result of such guaranties.

Affiliate and Related Entity Operations

POAH's affiliates and related entities are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Bonds or to make funds available to POAH to do so. The Bonds are not secured by the assets and cash flows of those affiliates or related entities.

Related Party Transactions/Conflicts of Interest

POAH may be subject to conflicts of interest arising out of its relationship with and/or investments in its affiliates and/or related entities, including conflicts with respect to loans to and investments in such affiliates and/or related entities, shared administrative costs and other overhead and other commercial arrangements. POAH does currently and may in the future guarantee certain debt or obligations of its affiliates and/or related entities. The loans to, and investments in, such affiliates and/or related entities, and other commercial arrangements with such related parties, may be on terms more favorable to the affiliate or related entity than would otherwise be available to it in the market. The ability of POAH to repay the Bonds may be adversely impacted by the performance of these affiliates and/or related entity investments, loans and commercial arrangements. See "APPENDIX A— CERTAIN

INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—General Information—Legal Overview" attached hereto.

Cybersecurity Risks

Despite the implementation of network security measures by POAH, its information technology systems may be vulnerable to breaches, hacker attacks, computer viruses, physical or electronic break-ins and other similar events or issues. Such events or issues could lead to the inadvertent disclosure of confidential information or could have an adverse effect on the ability of POAH to provide its services.

ENFORCEABILITY OF REMEDIES

The remedies available to the Bond Trustee or the Bondholders upon a Bond Indenture Event of Default are in many respects dependent upon judicial actions which are often subject to discretion and delay, and such remedies may not be readily available or may be limited. In particular, under the United States Bankruptcy Code, a bankruptcy petition may be filed by POAH. In general, the filing of any such petition operates as a stay against enforcement of the terms of the agreements to which the bankrupt entity is a party. The various legal opinions delivered in connection with the issuance of the Bonds are qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

General

The following discussion summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the Bonds and it may not contain all of information that may be important to a particular investor. It is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, and administrative and judicial interpretations thereof, all in effect or proposed on the date hereof and all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service ("IRS") with respect to any of the U.S. federal income tax consequences discussed below. Accordingly, no assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation.

The following relates only to Bonds that are acquired in the initial offering for an amount of cash equal to the initial offering price (i.e., the price at which a substantial amount of such Bonds is first sold to the public) and that are held as "capital assets" within the meaning of Section 1221 of the Code (i.e., generally, property held for investment).

This discussion does not address all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to investors who may be subject to special tax treatment (regardless of whether or not such persons constitute U.S. Holders (defined below)), such as banks and other financial institutions, retirement plans, employee stock ownership plans, certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships or other pass-through entities for U.S. federal income tax purposes (or investors in such entities), S corporations, estates and trusts, investors who hold their Bonds as part of a hedge, straddle, or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or persons subject to the alternative minimum tax. In addition, this discussion does not include any description of the tax laws of any state, local, or Non-U.S. jurisdiction that may be applicable to a particular investor and does not consider any aspects of U.S. federal tax law other than income taxation.

As used herein, "U.S. Holder" means a beneficial owner of a Bond that is, for U.S. federal income tax purposes: (i) an individual citizen or resident alien, as defined in Section 7701(b) of the Code, of the United States, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or (B) the trust validly elected to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Bond (other than a partnership) who is not a U.S. Holder.

The U.S. federal income tax treatment of an entity classified as a partnership for U.S. federal income tax purposes that holds the Bonds generally will depend on such partner's particular circumstances and on the activities of the partnership. Partners in such partnerships should consult their own tax advisors regarding the consequences of acquiring, owning and disposing of the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest. Stated interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

"Original issue discount" will arise for U.S. federal income tax purposes with respect to any Bond if its stated redemption price at maturity exceeds its issue price by more than a de minimis amount (as determined for U.S. federal income tax purposes). For any Bonds issued with original issue discount, the amount of original issue discount is equal to the excess of the stated redemption price at maturity of that Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all scheduled amounts payable on such Bond other than qualified stated interest. U.S. Holders generally will be required to include any original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders of Bonds issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

"Premium" generally will arise for U.S. federal income tax purposes with respect to any Bond to the extent its issue price exceeds its stated principal amount. A U.S. Holder of a Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Bond.

Market Discount. A holder who acquires a Bonds in a secondary market transaction may be subject to U.S. federal income tax rules providing that accrued market discount will be subject to taxation as ordinary income on the sale or other disposition of a "market discount bond." Dispositions subject to this rule include a redemption or retirement of a Bond. The market discount rules may also limit a holder's deduction for interest expense for debt that is incurred or continued to purchase or carry Bonds. A market discount bond is defined generally as a debt obligation purchased subsequent to issuance, at a price that is less than the principal amount of the obligation, subject to a de minimis rule. The Code allows a taxpayer to compute the accrual of market discount by using a ratable accrual method or a constant interest rate method. Also, a taxpayer may elect to include the accrued discount in gross income each year while holding the bond, as an alternative to including the total accrued discount in gross income at the time of a disposition, in which case the tax basis of the bond will be increased by the amount of discount included in gross income and the interest expense deduction limitation described above will not apply.

Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by POAH), reissuance or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond which will be taxed in the manner described above under "Interest") and (ii) the U.S. Holder's adjusted tax basis in the Bond at the time of disposition. A U.S. Holder's adjusted basis in a Bond will generally equal the purchase price paid by the U.S. Holder for the Bond, increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Bond and decreased by any payments previously made on such Bond, other than payments of qualified stated interest, or decreased by any amortized premium. Any such gain or loss generally will be capital gain or loss and will be long term capital gain or loss if such Bond is held by the U.S. Holder for more than one year. Long-term capital gain of non-corporate U.S. Holders is generally subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

Defeasance or material modification of the terms of any Bond may result in a deemed reissuance thereof, in which event a beneficial owner of the defeased or modified Bonds generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner's adjusted tax basis in the Bond.

Net Investment Income Tax. Section 1411 of the Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain individuals, trusts, and estates to the extent their income exceeds certain threshold amounts. For these purposes, "net investment income" may include, among other things, interest and gains from the sale or other disposition of the Bonds. Prospective investors are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Bonds.

Information Reporting and Backup Withholding. In general, a U.S. Holder will be subject to backup withholding with respect to interest on the Bonds, and the proceeds of a sale or other disposition of the Bonds (including a redemption or retirement), at the applicable tax rate of 28%, unless such holder (a) is an entity that is exempt from backup withholding (including corporations) and, when required, demonstrates this fact, or (b) provides the payor with its taxpayer identification number ("TIN"), certifies that the TIN provided to the payor is correct and that the holder has not been notified by the IRS that such holder is subject to backup withholding due to underreporting of interest or dividends, and otherwise complies with applicable requirements of the backup withholding rules. In addition, such payments to U.S. Holders that are not exempt entities will generally be subject to information reporting requirements. A U.S. Holder who does not provide the payor with its correct TIN may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Non-U.S. Holders

The following discussion applies only to Non-U.S. Holders. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances. For example, special rules may apply to a Non-U.S. Holder that is a "controlled foreign corporation" or a "passive foreign investment company," and, accordingly, Non-U.S. Holders should consult their own tax advisors to determine the effect of U.S. federal, state, local and Non-U.S. tax laws, as well as tax treaties, with regard to an investment in the Bonds.

Interest. Subject to the discussions below under the headings "FATCA Withholding" and "Information Reporting and Backup Withholding," a Non-U.S. Holder will not be subject to U.S. federal income or withholding taxes in respect of interest paid or accrued on a Bond (including original interest discount income) if the interest qualifies for the "portfolio interest exemption." This generally will be the case if each of the following applicable requirements are satisfied:

- the interest is not effectively connected with a U.S. trade or business;

- the Non-U.S. Holder is not, and is not treated as, a bank receiving interest on an extension of credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code;

- certain certification requirements are met. Under current law, the certification requirement will be satisfied in any of the following circumstances:

- If a Non-U.S. Holder provides to the payor a statement on an applicable IRS Form W-8 (or suitable successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder by name and address and stating, among other things, that the Non-U.S. Holder is not a United States person.

- If a Bond is held through a securities clearing organization, bank, or another financial institution that holds customers' securities in the ordinary course of its trade or business, (i) the Non-U.S. Holder provides such a form to such organization or institution, and (ii) such organization or institution, under penalty of perjury, certifies to the payor that it has received such statement from the beneficial owner or another intermediary and furnishes the payor with a copy thereof.

- If a financial institution or other intermediary that holds the Bond on behalf of the Non-U.S. Holder has entered into a withholding agreement with the IRS and submits an IRS Form W-8IMY (or suitable successor form) and certain other required documentation to the payor.

If the requirements of the portfolio interest exemption described above are not satisfied, a 30% withholding tax will apply to the gross amount of interest on the Bonds that is paid to a Non-U.S. Holder, unless either: (a) an applicable income tax treaty reduces or eliminates such tax, and the Non-U.S. Holder claims the benefit of that treaty by providing a properly completed and duly executed IRS Form W-8BEN or Form W-8BEN-E, as applicable (or suitable successor or substitute form) establishing qualification for benefits under the treaty, or (b) the interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States and the Non-U.S. Holder provides an appropriate statement to that effect on a properly completed and duly executed IRS Form W-8ECI (or suitable successor form).

If a Non-U.S. Holder is engaged in a trade or business in the United States and its investment in a Bond is effectively connected with the conduct of that trade or business, the Non-U.S. Holder will generally be required to pay U.S. federal income tax on that interest on a net income basis in the same manner as a U.S. Holder and the 30% withholding tax described above will not apply provided the duly executed IRS Form W-8ECI is provided to the Bond Trustee. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the U.S. and its country of residence, and the Non-U.S. Holder claims the benefit of the treaty by properly submitting an IRS Form W-8BEN or Form W-8BEN-E, as applicable, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the Non-U.S. Holder in the United States. In addition, a Non-U.S. Holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Disposition of the Bonds. Subject to the discussions below under the headings "FATCA Withholding" and "Information Reporting and Backup Withholding," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States (and, in the case of certain income tax treaties, is attributable to a permanent establishment or "fixed base" within the United States); or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, reissuance or other disposition and certain other conditions are met. If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax on the net gain derived from the sale, exchange, redemption, retirement at maturity, or other taxable disposition of the Bonds in the same manner as a U.S. Holder unless an applicable income tax treaty provides otherwise. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (except as otherwise provided by an applicable income tax treaty) on the amount by which its U.S.-source capital gains exceed its U.S.-source capital losses. In addition, corporate Non-U.S. Holders may be subject to a 30% (or lower applicable treaty rate) branch profits tax on any such effectively connected earnings and profits attributable to such gain.

U.S. Federal Estate Tax. A Bond that is held by an individual who at the time of death is not a citizen or resident alien of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that at the time of such individual's death, payments of interest with respect to such Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

FATCA Withholding. The Foreign Account Tax Compliance Act ("FATCA") together with administrative guidance and certain intergovernmental agreements entered into thereunder generally imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest, and, after December 31, 2018, on gross proceeds from a disposition of property of a type which can produce U.S. source interest ("withholdable payments"), paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) or to a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). The 30% withholding tax under FATCA applies regardless of whether the foreign financial institution or non-financial foreign entity receives payments as a beneficial owner or intermediary and whether the applicable payment otherwise is exempt from U.S. withholding (e.g., as "portfolio interest" or as capital gain upon the sale, exchange, redemption or other disposition of a Bond). Interest paid with respect to the Bonds and, after December 31, 2018, gross proceeds from the sale or disposition of the Bonds, may be subject to the 30% withholding tax if the holder fails to comply with FATCA. Non-U.S. holders are urged to consult their own tax advisors with respect to these information reporting rules and due diligence requirements and the potential application of FATCA to them.

Information Reporting and Backup Withholding. In general, the amount of any interest paid on the Bonds in each calendar year, and the amount of U.S. federal income tax withheld, if any, with respect to these payments will be reported to the IRS and each Non-U.S. Holder. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under an applicable income tax treaty or other information exchange agreement.

Non-U.S. Holder who have provided certification as to their Non-U.S. status or who have otherwise established an exemption will generally not be subject to backup withholding tax on payments of interest if the payor does not have actual knowledge or reason to know that such certification is unreliable or that the conditions of the exemption are in fact not satisfied.

Payments of the proceeds from the disposition of a Bond (including a redemption or retirement) to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting, but generally not backup withholding, may apply to those payments if the broker is one of the following: (a) a United States person, (b) a "controlled foreign corporation" for U.S. federal income tax purposes, (c) a foreign person, 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, or (d) a foreign partnership with specified connections to the United States, unless the Non-U.S. Holder certifies as to its Non-U.S. status or otherwise establishes an exemption.

Payment of the proceeds from a disposition of a Bond (including a redemption or retirement) to or through the United States office of a broker will be subject to information reporting and backup withholding unless the Non-U.S. Holder certifies as to its Non-U.S. status or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax, and amounts withheld as backup withholding are allowed as a refund or credit against a holder's federal income tax liability, provided that the required information as to withholding is furnished to the IRS.

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR BENEFICIAL OWNER OF BONDS IN LIGHT OF THE BENEFICIAL OWNER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO ANY TAX CONSEQUENCES TO THEM FROM

THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN TAX LAWS AS WELL AS OTHER FEDERAL TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN THESE TAX LAWS.

CERTAIN ERISA CONSIDERATIONS

Persons who are fiduciaries (each a "Plan Fiduciary") of employee benefit plans under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or tax qualified retirement plans and individual retirement accounts under the Code (collectively, "Plans") should give appropriate consideration to the facts and circumstances that are relevant to an investment in the Bonds, including the role that such an investment in the Bonds would play in a Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Bonds, should consider whether such an investment in the Bonds is a prudent investment for the Plan, including whether such an investment would reasonably further the Plan's investment purposes, whether the Bonds have appropriate risk and return characteristics, whether the investments of the Plan, with such an investment in the Bonds, would be sufficiently diversified so as to minimize the risk of large losses, whether the Bonds are sufficiently liquid to meet the Plan's current cash needs, whether the rate of interest on the Bonds is consistent with the Plan's funding objectives, and whether an investment in the Bonds is permitted under the governing documents of the Plan and any related trust, to the extent such documents are consistent with ERISA.

ERISA and the Code generally prohibit certain transactions between a Plan and persons who, with respect to the Plan, are Plan Fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. Such prohibited transactions include the use of Plan assets for the benefit of a Plan Fiduciary or other party in interest or a disqualified person, for example, by causing the Plan to make an investment from which such a Plan Fiduciary or other party in interest or disqualified person would receive a fee or other consideration. A Plan Fiduciary considering an investment in the Bonds should determine whether it or any other person affiliated with the Plan may currently have a relationship with POAH, the Bond Trustee or the Underwriter, or with any person affiliated with any of them, that would cause the Plan's investment in the Bonds to be a prohibited transaction.

All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Bonds including the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code or other similar laws to such in investment.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) and certain non-US plans (as described in Section 4(b)(4) of ERISA), while not subject to ERISA requirements or the prohibited transaction provisions of the Code, may be subject to the provisions of applicable federal, state, local or other laws, rules or regulations ("Similar Law") similar to the provisions of ERISA and the Code. Fiduciaries of such plans should consider applicable Similar Laws when investing in the Bonds.

RATING

S&P has assigned a long-term rating of "A+" to the Bonds. A securities rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time. A rating reflects only the view of the rating agency giving such rating. Any explanation of the significance of such rating may only be obtained from S&P at 55 Water Street, New York, New York 10041. Generally, rating agencies base their ratings on information and materials furnished and on investigation, studies, and assumptions by the rating agencies. There is no assurance that a rating will apply for any given period of time or that a rating will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price or the marketability of the Bonds. POAH and the Underwriter have not undertaken any responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the rating or to oppose any such proposed revision or withdrawal.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. LLC, as Underwriter. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $74,424,717.68, reflecting the par amount of the Bonds, less an underwriting discount of $575,282.32. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The Underwriter's obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions. The offering price of the Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the initial offering price.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates, from time to time, have performed, and may in the future perform, various investment banking services for POAH, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of POAH (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with POAH. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

LEGAL MATTERS

Certain legal matters relating to the issuance of the Bonds by POAH are subject to the approval of Locke Lord LLP, Boston, Massachusetts, Bond Counsel to POAH. The proposed form of the approving opinion of Locke Lord LLP to be delivered upon the issuance of the Bonds is attached hereto as "APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL TO PRESERVATION OF AFFORDABLE HOUSING, INC." In addition, certain other legal matters will be passed upon for POAH by its Special Finance Counsel, Locke Lord LLP, Boston, Massachusetts, and certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

ABSENCE OF MATERIAL LITIGATION

To the knowledge of POAH, there is not now pending or threatened any litigation restraining or enjoining the issuance of the Bonds or questioning or affecting the validity of the Bonds, or the proceedings and authority under which such Bonds are to be issued. To the knowledge of POAH, neither the creation, organization or existence, nor the title of the present directors or other officers of POAH to their offices, is being contested. To the knowledge of POAH, there is no litigation pending or threatened which in any manner questions the right of POAH to repay the Bonds in accordance with the provisions of the Bond Indenture or, except as described in APPENDIX A hereto, which could have a material adverse impact on POAH's financial position or results of operations. See "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC. — Financial Management and Controls—Litigation" attached hereto.

FINANCIAL STATEMENTS

The consolidated financial statements of POAH and subsidiaries for the fiscal years ended December 31, 2020 and 2019, for the fiscal years ended December 31, 2019 and 2018, for the fiscal years ended December 31, 2018 and 2017 and for the fiscal years ended December 31, 2017 and 2016, are included in "APPENDIX B-1 — CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016" to this Offering Memorandum.

CohnReznick LLP, independent auditor, audited the consolidated financial statements of POAH and subsidiaries for fiscal years ended December 31, 2020 and 2019, for fiscal years ended December 31, 2019 and 2018, for fiscal years ended December 31, 2018 and 2017 and for fiscal years ended December 31, 2017 and 2016, as stated in their reports appearing therein.

The information contained in the unaudited interim consolidated financial statements of the Core Operating Companies which term comprises a group of entities consolidated by and that represents POAH as of and for the nine (9) month period ended September 30, 2021, included in "APPENDIX B-2 — UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021" of this Offering Memorandum, is derived from unaudited internal records and should be read in conjunction with the audited financial statements and report included in "APPENDIX B-1 — CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016" attached hereto.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS AND FINANCIAL INFORMATION

POAH has agreed in the Bond Indenture to use commercially reasonable efforts while the Bonds are outstanding to post or cause to be posted on POAH's website, not later than 180 days after the end of each fiscal year of POAH, commencing with the fiscal year ended December 31, 2022, (i) copies of POAH's annual audited financial statements for each fiscal year and (ii) a copy of its Affordable Housing Real Estate Portfolio, as shown in "APPENDIX A — CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—Exhibit B—Owned Real Estate Portfolio as of December 31, 2021," provided, however, that upon the receipt by POAH of the advice of its auditors or other consultants, POAH may change the make-up, presentation style, etc. of any tables from time to time, and shall describe on its website any such changes.

Any failure of POAH to timely provide such financial statements or information does not constitute a Bond Indenture Event of Default. The sole and exclusive remedy for a breach of these provisions is specific performance, and no person, including any holder or any Beneficial Owner of the Bonds, may recover monetary damages thereunder under any circumstances.

MISCELLANEOUS

The references herein to the Bonds and the Bond Indenture are summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents for full and complete statements thereof. The agreements of POAH with the Holders of the Bonds are fully set forth in the Bond Indenture, and neither any advertisement of the Bonds nor this Offering Memorandum is to be construed as constituting an agreement with the purchasers of the Bonds. Any statements made in this Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. Executed copies of the Bonds and the Bond Indenture are on file at the Corporate Trust Office of the Bond Trustee. The Appendices hereto (other than APPENDICES C, D, E and G) contain certain information with respect to POAH. The information contained in the Appendices (other than APPENDICES C, D, E and G) has been furnished by POAH and its officers and officials, and by other sources POAH believes to be current and reliable.

All quotations from and summaries and explanations of the Bond Indenture and of other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions. Copies in reasonable quantities of the Bond Indenture may be obtained upon request directed to the Bond Trustee, the Underwriter or POAH.

POAH has reviewed the information contained herein which relates to POAH and has approved all such information for use in this Offering Memorandum. The purchase contract for the Bonds contain provisions constituting the agreement of POAH to indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect or misleading statements or information contained in this Offering Memorandum pertaining to POAH and its affiliated and related entities and supplied by it. POAH, however, takes no responsibility for the information in this Offering Memorandum under the Sections entitled "INTRODUCTION—Book-Entry Only System" and "UNDERWRITING" herein and in "APPENDIX D — PROPOSED FORM OF OPINION OF BOND COUNSEL TO PRESERVATION OF AFFORDABLE HOUSING, INC." and "APPENDIX E—BOOK-ENTRY SYSTEM" attached hereto. "APPENDIX A— CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC." attached hereto has been prepared by POAH, and "APPENDIX B-1 — CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016" and "APPENDIX B-2 — UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021", attached hereto were furnished by POAH. "APPENDIX C— FORM OF THE BOND INDENTURE" and "APPENDIX D — PROPOSED FORM OF OPINION OF BOND COUNSEL TO PRESERVATION OF AFFORDABLE HOUSING, INC." attached hereto has been prepared by Locke Lord LLP, Bond Counsel to POAH. Information relating to DTC and its book-entry system described under the headings "INTRODUCTION—Book-Entry Only System" herein and "APPENDIX E—BOOK−ENTRY SYSTEM" attached hereto is based upon information furnished by DTC and is believed to be reliable, but neither POAH nor the Underwriter make any representations or warranties whatsoever with respect to such information. "APPENDIX F— FRAMEWORK OVERVIEW AND SECOND OPINION BY S&P GLOBAL RATINGS" attached hereto has been furnished by S&P. "APPENDIX G—FORM OF SUSTAINABILITY BOND ANNUAL REPORTING" attached hereto was furnished by POAH.

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All of the Appendices hereto are incorporated as an integral part of this Offering Memorandum. The execution and delivery of this Offering Memorandum has been duly authorized by POAH.

PRESERVATION OF AFFORDABLE HOUSING, INC.

By: */s/ Randy J. Parker*

Name: Randy J. Parker

Title: Managing Director, Chief Financial Officer

Dated: April 12, 2022

APPENDIX A

CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.

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APPENDIX A

Preservation of Affordable Housing, Inc.

This Appendix A provides certain information relating to Preservation of Affordable Housing, Inc. ("POAH") in connection with its issuance of Taxable Bonds, Series 2022 (Sustainability Bonds) (the "Bonds").

The Appendix A is organized into the following sections:

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GENERAL INFORMATION

Overview

Preservation of Affordable Housing, Inc. ("POAH") is a nonprofit organization that preserves, creates, and sustains affordable rental homes for low- and moderate-income families, seniors, and individuals. POAH achieves its high impact social goals as a nonprofit developer, owner, and operator of more than 12,000 affordable homes in eleven states and the District of Columbia. POAH, along with POAH Communities LLC ("POAH Communities"), its wholly owned subsidiary, extend beyond building sustainable affordable housing by creating healthy communities of choice for residents, revitalizing entire neighborhoods, and providing amenities and services to promote resident success and economic security through its portfolio-wide Community Impact initiative (see "Community Impact" herein). POAH's experienced management and employee team achieves lasting impacts centering on a highly stable real estate portfolio, with strong asset quality and market position highlighted by the economic occupancy averaging above 99% over the last five calendar years. The team adheres to rigorous operating practices that consistently deliver strong financial performance and success across all of POAH's business lines.

History and Mission

POAH has its origins in the late 1990s, when thousands of rental properties financed with federal support in the 1960s and 1970s began to approach the end of their original 30- and 40-year affordability restrictions, and tens of thousands of residents faced the possible loss of their homes. POAH's founders responded to this threat by forming a nonprofit organization that would aim to preserve at-risk housing stock; acquire, refinance, and renovate properties; and serve as long-term stewards for these essential affordable housing resources.

Since its founding, POAH has acquired and developed a portfolio of 12,276 affordable rental apartments, serving just under 21,000 residents across 57 cities in 11 states and the District of Columbia (as of December 31, 2021). POAH executes its transactions in partnership with residents, owners, funders, public agencies and other stakeholders, and focuses on transactions that create rents that will remain affordable for the long-term (30+ years). POAH's three primary real estate strategies are (1) the acquisition and rehabilitation of properties threatened by conversion to market-rate rentals, (2) construction of new affordable housing developments, and (3) larger-scale urban revitalization projects. POAH focuses on the long-term stewardship of its properties through responsible asset management and robust resident services. POAH also seeks to influence a range of public policies that address affordable housing efforts nationwide and establish incentives that empower nonprofit housing owners seeking to preserve long-term affordability, energy efficiency, and the promotion of housing as a platform for resident success.

POAH's mission is to preserve, create, and sustain affordable, healthy homes that support economic security, and access to opportunity for all. The pursuit of POAH's mission is supported and informed by the following 14 core values: service, opportunity, citizenship, partnership, stewardship, sustainability, advocacy, performance, teamwork, diversity & inclusion, racial equity, accountability, innovation, and impact.

Financial Capacity and Experience

POAH has extensive experience with the regulations and processes required to secure affordable housing funding sources and has been very successful in competing for and securing funding for more than 20 years. POAH's successes are the product of close collaboration with its broad base of allies and partners, including community organizations, resident groups, public agencies, private investors and lenders, and advocacy organizations.

POAH's in-house project development and finance staff have significant experience underwriting projects using POAH's standard underwriting assumptions and a robust project review and approval process, as further detailed in "Real Estate Acquisitions and Development – Criteria and Processes for Evaluation of Acquisition and Development Opportunities" herein.

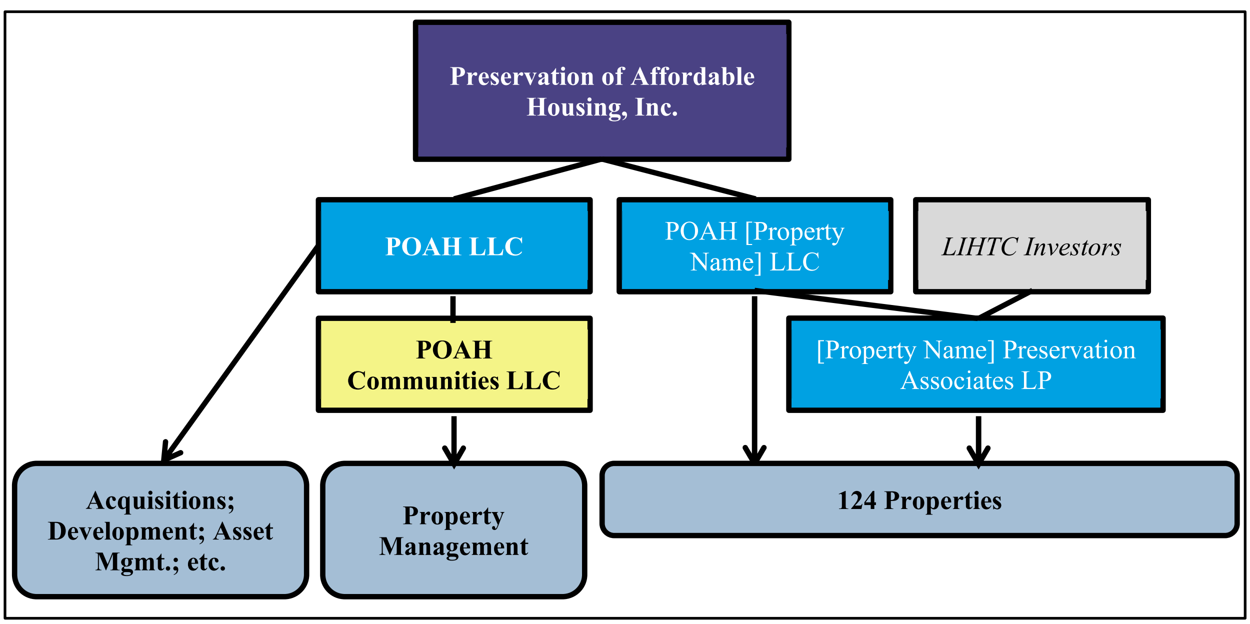
POAH finances its affordable housing developments by pairing mortgage loans with significant funding and subsidy that it receives from federal, state, and local sources in various forms, including Low Income Housing Tax Credits ("LIHTCs"), low-interest rate loans, grants, and rent subsidies for qualifying very low-, low-, and moderate-income tenants. POAH prepares all of its funding applications in-house and as of December 31, 2021, POAH has secured more than $450 million in LIHTC equity and more than $360 million of public sector subsidy in the form of gap funding (i.e. soft debt). In addition to upfront subsidy, 85% of POAH's units receive some form of rental assistance (76% through project based rental assistance and 10% through tenant-based vouchers).

POAH has access to credit facilities from six different lenders (Calvert Impact Capital, LISC, Boston Private Bank & Trust Company /Eastern Bank, Benefit Chicago/MacArthur, the Life Initiative, and the Greater Cincinnati Foundation) which it uses to fund predevelopment and acquisition costs. POAH has strong relationships with various Community Development Financial Institutions ("CDFIs"), bank lenders, and other investors which also provide it access to liquidity. See "Financial Management and Controls – Cash, Cash Equivalents, and Investments – Liquidity" herein.

Legal Overview

POAH conducts its development business through its wholly owned subsidiary Preservation of Affordable Housing LLC ("POAH LLC"). POAH conducts its property management and provides residents services through POAH Communities. POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 159 entities that own 12,276 units of affordable housing as of December 31, 2021 (Note: each property is held in its own legal entity). POAH's typical legal structure is detailed in the following organizational chart.

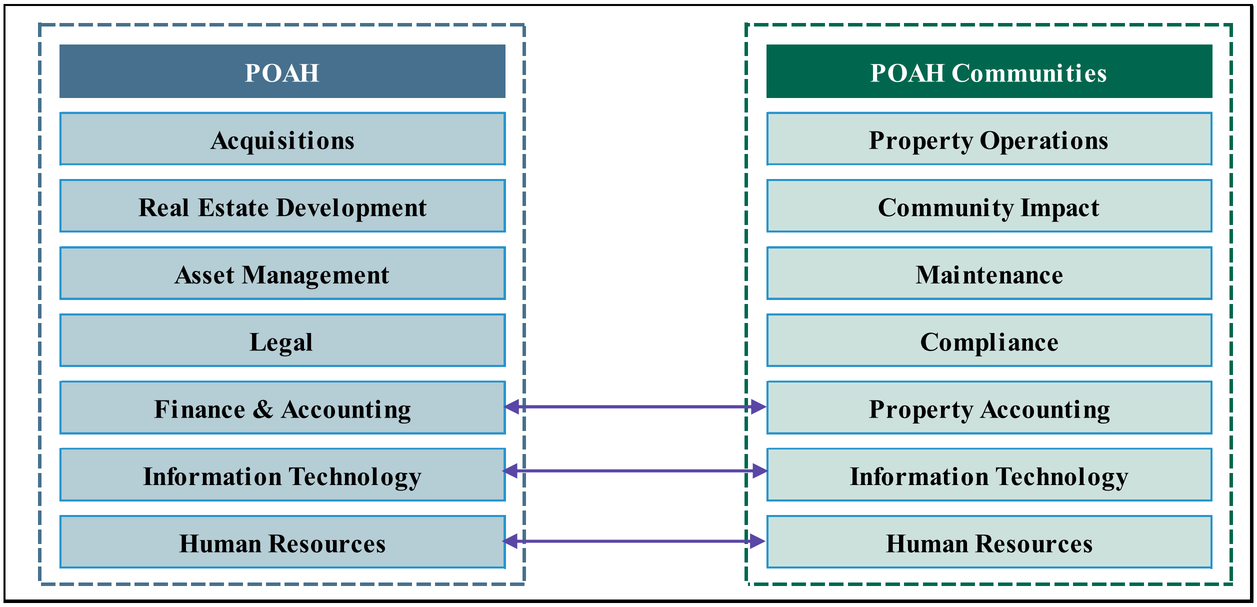
<u>POAH Legal Structure</u>



Operational Overview

Within the legal structure outlined above, the POAH enterprise has two primary functional divisions: POAH, which houses the owner entity and its growth-related functions; and POAH Communities, which houses its property management and resident support functions, including both central office and property-based staff. The chart below illustrates where certain key functions fit within those entities:

Main Functional Areas



POAH

Acquisitions: This team is responsible for sourcing new acquisitions and real estate development opportunities. Acquisitions works closely with other teams to structure new projects and secure initial internal approvals, transitioning responsibility to the Real Estate Development team once site control is secured. See "Real Estate Acquisitions and Development" herein for more information about POAH's Acquisitions function.

Real Estate Development: This team is responsible for managing the real estate development process for new acquisition, renovation, and construction projects, including financing, design, entitlement, construction, and close-out. The team includes experienced project managers as well as dedicated design and construction staff. See "Real Estate Acquisitions and Development" herein for more information about POAH's Real Estate Development function.

Asset Management: This team is responsible for the long-term stewardship of POAH's portfolio of properties, in close collaboration with POAH Communities. The team constantly monitors property performance and portfolio trends; reviews and approves annual operating budgets and capital plans; monitors energy and water uses and implements retrofits; manages relationships with lenders and investors; and oversees renovations for POAH-owned properties. See "Real Estate Portfolio – Asset Management Overview" herein for more information about POAH's Asset Management team and its work.

Legal: This team manages legal affairs of POAH and its properties, including strategic legal advice and engagement with outside counsel for projects in development. The team also leads legal structuring for POAH projects and properties, including strategy, entity creation, and ongoing filings and other compliance.

Finance & Accounting: This team is responsible for oversight of the company's financial operations, including annual and long-term budgets; annual audits and tax filings for the company and all its properties (in close collaboration with POAH Communities' Property Accounting team); management of corporate debt and equity sources; and other related workstreams.

POAH Communities

Property Operations: This team is responsible for the daily operations of POAH's properties, with an experienced group of Regional Property Supervisors each managing a cohort of site-based Property Managers and other property staff. The team delivers excellent customer service every day while coordinating all facets of property operations, with support from Community Impact, Maintenance, Compliance, and other teams.

Community Impact: This team is responsible for working with residents to help them achieve their goals through direct services, connections to community resources, and other proven strategies. The team includes property-based Community Impact Coordinators as well as corporate support staff. See "Community Impact" herein for more information about POAH's community impact initiatives.

Maintenance: This team is responsible for the maintenance of high physical quality standards in POAH's properties. The team manages the development of annual capital plans for the properties in collaboration with POAH's Asset Management team and works closely with site-based maintenance staff to implement those plans. The team also provides extensive ongoing training for site staff and contributes expertise to support scope development for renovation projects in the portfolio.

Compliance: This team is responsible for managing and supporting compliance with housing program requirements across POAH's properties, including United States Department of Housing and Urban Development ("HUD"), LIHTC, and numerous other federal, state, and local programs. The team provides ongoing oversight and reporting, as well as regular training for frontline staff.

Property Accounting: This team is responsible for development and oversight of property operating budgets, in collaboration with the POAH Asset Management team and other teams. The team also prepares monthly and quarterly property financial statements and manages the annual audit process for all properties, in coordination with the POAH Finance & Accounting Team, and manages the corporate operating budget for the POAH Communities corporate entity.

Shared Functions

Information Technology: This team manages information technology infrastructure across POAH, POAH Communities, and POAH's portfolio of properties. The team works with staff and vendors to support robust data systems, maintain robust information technology ("IT") security, and train staff to fully utilize the IT tools available to them.

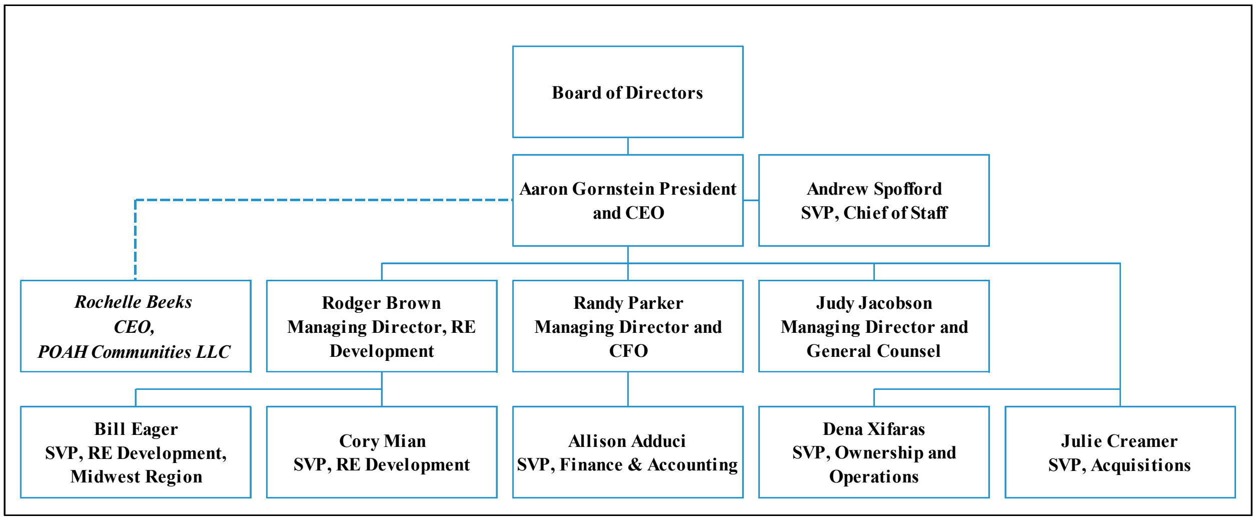
Human Resources: This team provides support for employees and managers across POAH and POAH Communities, including managing hiring and onboarding process, benefits management, dedicated support for professional development and diversity, equity, and inclusion ("DEI") initiatives, and other related functions.

Management and Staffing

Management

POAH is led by its Chief Executive Officer ("CEO") and a core team of three Managing Directors ("MDs") who between them average 9 years with POAH and more than 35 years of experience in the industry. This core team is supported by a cohort of six Senior Vice Presidents ("SVPs") with an average of 15 years at POAH and 21 years in the field. The balance of the leadership team is comprised of 14 Vice Presidents ("VPs") who average over 8 years with POAH and an average of 22 years in the field. The following is an organizational chart that outlines the senior management team along with additional POAH leadership members and the President and CEO of POAH Communities who has been with POAH Communities for 16 years and has more than 30 years of experience in the field.

<u>POAH Management Organizational Chart</u>



For additional details and biographies for the core team and leadership team, please refer to "Exhibit A – Resumes – Executive Leadership" herein.

Employees

As of December 31, 2021, POAH has a total of 610 staff positions. The adjacent table summarizes positions by each POAH entity, with 67 positions at POAH, 79 positions in the POAH Communities central office team, and 464 positions across all POAH properties. The following tables provide a more detailed breakdown of POAH and POAH Communities.

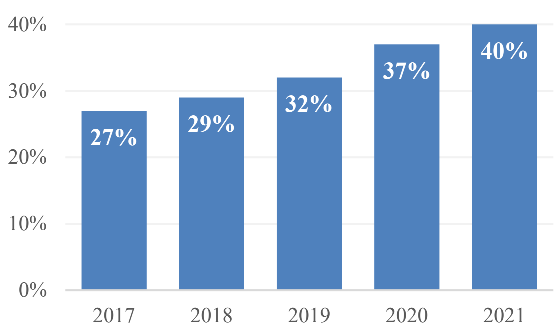
All Staff	**# of Positions**
POAH Central Office	67
POAH Communities Central Office	79
POAH Communities Property Staff	464
Total	**610**

POAH (Central Office)	# of Positions
Acquisitions	3
Real Estate Development	27
Asset Management	14
Community Impact	1
Finance & Accounting	8
Information Technology	2
Executive, Admin, Legal, HR	12
Total	**67**

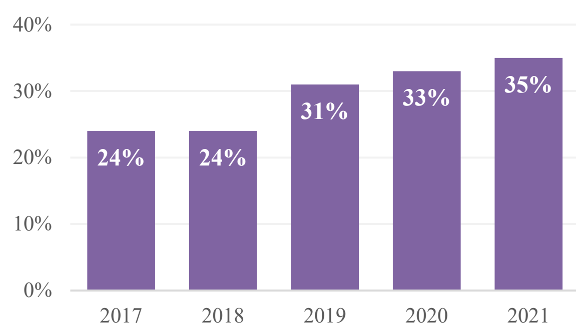
POAH Communities (Central Office)	# of Positions
Accounting	26
Community Impact	8
Compliance / Risk Mgmt.	8
Property Supervisors	16
Information Technology	4
Executive, Admin, Legal, HR	17
Total	**79**

POAH and POAH Communities' central office workforce has steadily grown more diverse over the past five years, reflecting POAH's commitment to diversity and inclusion across its staff and management team. In 2021, 40% of the central office staff and 35% of the management team were persons of color versus 27% and 24% in 2017, as highlighted in the charts below. POAH's staff gender balance has remained relatively static with 68% female in both 2017 and 2021; however, POAH's female management team has increased from 59% to 65% over this time period. These trends are driven by POAH's hiring and promotion practices. In 2021, 54% of POAH's hires were persons of color versus 27% in 2017 and 71% were female versus 47% in 2017. Furthermore, in 2021, 46% of POAH's promotions were persons of color and 77% were female and reflect promotion rates that are more diverse than POAH's overall staff, driven by POAH's desire to ensure that historically underrepresented groups are well represented in POAH's leadership team.

Share of Persons of Color in POAH's Central Office Staff



Share of Persons of Color in POAH's Management Team



REAL ESTATE PORTFOLIO

Market Position and Market Context

POAH is one of the largest nonprofit affordable housing developers and owners in the United States, with significant presence in key rental markets across the Northeast, Mid-Atlantic, Southeast, and Midwest. POAH creates high quality housing that displays the same quality of design and construction as comparable market-rate housing.

POAH's affordable housing work is undertaken in the context of a significant and steadily growing shortage of affordable housing for low- and moderate-income households in the United States.

For decades, United States housing costs have outpaced household incomes, creating a housing affordability crisis impacting growing numbers of families and seniors across the country. According to a 2019 article by the Center on Budget and Policy Priorities ("CBPP"), growth in median rents has outpaced growth in median renter income since 2001 in nearly every state. Furthermore, the inflation-adjusted cost of the typical apartment (median rent and utilities) has grown in every state since 2001, with some states encountering extreme spikes. The COVID-19 pandemic has exacerbated these long-term trends.

Approximately 70% (7.6 million) of the nation's approximately 10.8 million extremely low-income renter households are severely housing cost-burdened, spending more than half of their incomes on rent and utilities. They account for over 72% of all severely housing cost-burdened renters in the United States[1]. Severely cost burdened households are more likely than higher income households to sacrifice other necessities like healthy food and healthcare to pay the rent and to experience unstable housing situations like evictions.

In the face of these deep and growing needs, there is a significant and growing shortage of affordable rental housing across the nation. This shortage is present in every market in the country, but is most severe in large metropolitan regions. CBPP reports[2] that the federal government provides enough rental assistance to support only 1 of every 4 households who would be eligible for such assistance. In the states where POAH is now active, there is a shortage of more than 4.1[3] million rental homes affordable and available to extremely low-income households.

The result is extreme demand for affordable housing units, including at the communities POAH develops and operates. The most recently completed phase of POAH's Flat 9 at Whittier community, for example, received almost 1,400 responses to a lottery for 24 newly created affordable units – more than 50 applicants for each new unit. POAH's existing affordable units are also in very high demand, with each property maintaining a waiting list of prospective applicants that is typically at least 20 times higher than the property's normal annual turnover and often much higher than that.

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[1]The GAP – A Shortage of Affordable Homes, March 2021; https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf
[2] 3 in 4 Low-Income Renters Needing Rental Assistance Do Not Receive It, July 2021; https://www.cbpp.org/research/housing/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance
[3] Ibid

POAH Communities (Property Management) Overview

POAH Communities has direct responsibility for the daily operations of POAH's portfolio of properties.

This work begins with staff in more than 450 property-based roles, including Property Managers, maintenance specialists, leasing specialists, Community Impact Coordinators, and other specialists and support staff. These committed and experienced staff have ownership for key property operations at their sites, including leasing, rent collections, resident services, compliance, cleaning, maintenance, routine capital projects, and more.

The property staff are supported and coordinated by POAH Communities' 79-person central office team, which includes staff located across POAH's four corporate offices (Boston, Chicago, Kansas City, and Washington, D.C.) as well as a 16-person team of experienced Regional Property Supervisors who each provide consistent oversight and support for a subset of POAH properties in a specific region, working closely with the Property Managers responsible for each of their assigned properties.

As noted above, the POAH Communities central office team also includes teams of specialists who provide additional support and oversight of property operations in the areas of Compliance, Community Impact, Maintenance, Risk Management, and Communications.

The POAH Communities central office staff includes a team of property accountants – each assigned to specific properties – responsible for ongoing oversight of their properties' financial operations, including budget development, invoicing and payroll, and preparation of monthly, quarterly and annual financial reporting for internal and external consumption.

Asset Management Overview

POAH's Asset Management team, working closely with POAH Communities and numerous other functional teams, focuses on the long-term stewardship of POAH's portfolio of properties, to ensure both mission goals and financial sustainability objectives are being met. Asset Management activities include: (1) Traditional Asset Management, (2) Portfolio Performance & Analytics, and (3) Transactional Asset Management.

(1) *Traditional Asset Management* – In this area, the team focuses on monitoring asset performance, participating in the development of operating budgets and capital plans, and monitoring property performance against budgets throughout the year. The team also manages relationships with each property's lenders and syndicators.

(2) *Portfolio Performance & Analytics* – The team is responsible for the development and use of data analytics systems and tools to support oversight of property and portfolio performance and trends by management staff across the company. This work centers on POAH's web-based data warehouse for property information, which bring extensive capacity for both routine and customized analysis.

(3) *Transactional Asset Management* – The team is also responsible for optimizing property and portfolio performance through strategic transaction work, ranging from subsidy contract renewals and limited partner exits to debt refinancings and LIHTC resyndications.

POAH's Response to COVID-19

Throughout the pandemic, POAH closely monitored and actively mitigated the impact of COVID-19 on the organization, its residents, and its properties, including proactively creating portfolio wide sensitivity analysis and identifying mitigants to potential risks.

Several factors have insulated POAH from the negative financial effects of the COVID-19 pandemic:

(1) As further detailed below, 85% of POAH's rental units receive some form of rental subsidy. For these units, in the event of a reduction or loss of tenant income, the overall rent paid to POAH does not change, but instead a larger portion of the tenant rent is shifted to the subsidy provider (e.g. HUD). While POAH did not increase rents on its unsubsidized units during the COVID-19 pandemic in order to not increase the COVID-19 pandemic's burden on low-income families, POAH was still able to receive its routine Operating Cost Adjustment Factor ("OCAF") rent increases on its rental assistance units (which does not impact the rent paid by tenants). Given the percentage of POAH's portfolio that contains subsidized units, POAH's rents increased by 3.2% in 2020 and 2.9% in 2021.

(2) POAH Communities actively assisted residents in identifying relief resources and helped residents access approximately $2.8 million of federal and state pandemic relief funding as described further under "Community Impact – POAH's Response to COVID-19."

(3) POAH's rent collections have remained relatively stable through the COVID-19 pandemic. In 2020, collections were 98.0%, a modest decrease from 98.4% in 2019; collections have subsequently increased to 99.0% in 2021. Additionally, the amount of POAH's rent that was not expected to be recovered, or property-level bad debt expense (included in Property Operations expense within the consolidated financials), also remained relatively stable with total expense of approximately $924,000 and $1,264,000 in 2020 and 2021, respectively, versus approximately $757,000 in 2019.

Property Refinancing

POAH closely monitors the terms of its property-level debt and proactively looks for opportunities to reduce debt service, increase cash flow and/or extract equity from highly appreciated assets. As first mortgage debt is nearing its prepayment eligibility, POAH considers alternative debt structures within the context of the property's anticipated rehabilitation needs and recapitalization cycles. Particularly in markets that have experienced substantial or consistent rent growth, property gross potential rent and asset values have similarly increased. As a result, increased property net operating income enables these properties to support higher loan amounts, often providing the opportunity to extract equity in the recapitalization of the properties. When interest rates are also reduced as part of these initiatives, properties can support higher loan amounts with minimal impact on net cash flow.

For example, in 2022, POAH expects to refinance 8 properties, including a portfolio of 5 Massachusetts developments in strong rental markets, and extract approximately $14.7 million of equity take-out proceeds. Although the aggregate loan amount will increase from $39.5 million to $73.6 million, the loan-to-value ratio will remain well below 80%, and the interest rate will be reduced from 5.4% to 3.5%. With rent growths factored in, the aggregate net cash flow is anticipated to be increased by approximately $300,000. Equity from these refinancing initiatives will enable POAH to repay POAH-related debt of approximately $5.3 million in addition to the equity take-out noted above, both of which will be reinvested in POAH's core mission.

Property Disposition

POAH is a long-term steward of the affordable housing communities it builds or preserves, so asset disposition is not a primary strategy. However, disposition is generally an accessible option should the circumstances warrant – for example, if POAH determines that another owner can better serve a community. In its 20-year history, POAH has disposed of only two assets, realizing net sale proceeds after retirement of debt. POAH does routinely receive purchase offers for either fee simple conveyance or general partner interests in one or more of its properties. While POAH generally does not sell properties (given its long-term preservation mission), property disposition is a viable strategy to access equity should the need arise.

In a disposition scenario, typically first mortgage financing and POAH-related party debt can be repaid from sale proceeds while third party soft debt may either be paid off or assigned and assumed, depending on the circumstances. A property's LIHTC limited partner, if any, typically has the right to approve property transfer and/or the transfer of POAH's general partner interest, but that right is usually not to be unreasonably withheld; and POAH works proactively to engineer limited partner exits as soon as possible after each property's 10-year credit period is completed, so a significant share of the portfolio has no limited partner in place (meaning POAH controls the ability to sell the property or its general partner interest unilaterally). Public agency soft debt typically is repaid from the proceeds of a transfer to the extent the debt is "in the money" (i.e. asset value exceeds debt burden and capital needs), unless the lender approves the assumption of the soft loan by the new owner.

Housing Portfolio Mix and Areas of Operation as of December 31, 2021

POAH owns and manages a geographically diverse housing portfolio, totaling 12,276 rental housing units and 124 properties in 57 cities and towns across the Northeast (Massachusetts, Rhode Island, Connecticut, New Hampshire), Mid-Atlantic (District of Columbia, Maryland), Southeast (Florida), and the Midwest (Illinois, Michigan, Missouri, Ohio, and Kentucky). The portfolio includes significant concentrations in some of the strongest housing markets in the country, including the Boston, Miami, Washington, D.C., and Chicago metropolitan areas. Half (50%) of POAH's housing units are in urban areas, while 29% are in suburban locations, and 21% are in rural areas.

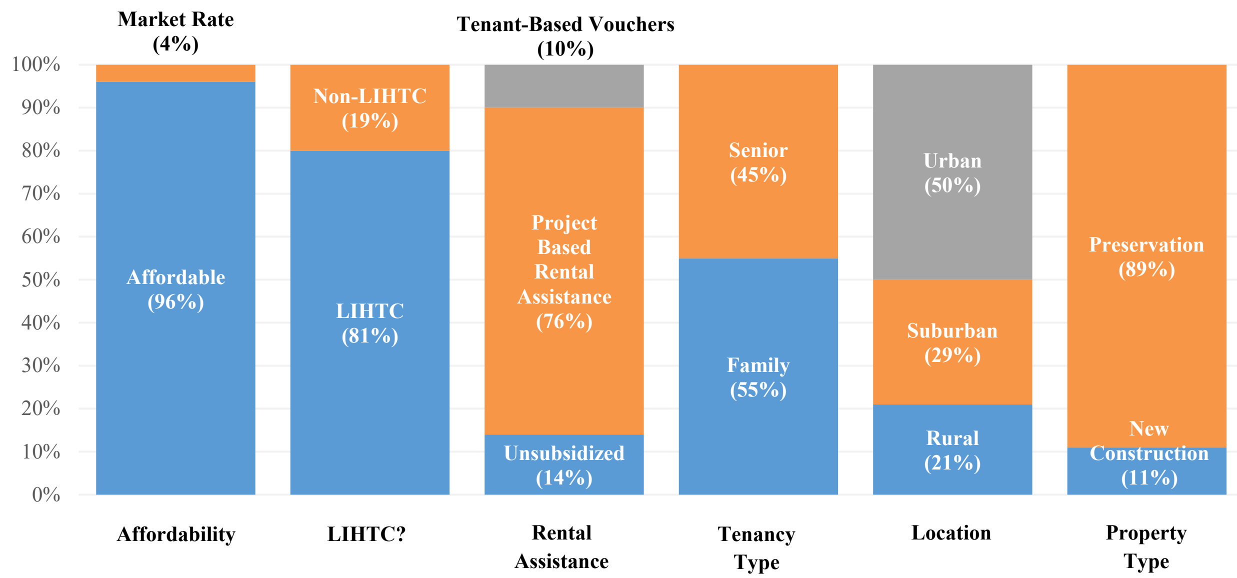
Nearly all of POAH's housing units are deed-restricted affordable housing, with rents set at below-market levels to ensure affordability for low-income households. As of December 31, 2021, 96% of POAH's units were restricted for affordability, and 4% of units were unrestricted or market-rate units. POAH's affordable units include a subset (81% of all units) that are restricted through the LIHTC program with rents affordable to households under 60% of Area Median Income ("AMI"); other affordable units (15% of all units) are restricted under other federal, state or local housing programs.

In addition, most of POAH's housing units feature federal rental assistance that ensures affordability even for households with no income or extremely low incomes. This includes 76% of units assisted under long-term, project-based rental assistance ("PBRA") contracts, as well as 10% of units occupied by households assisted by tenant-based housing assisted (referred to as Housing Choice Vouchers). In the event of loss of rent income, rent paid to POAH does not change, but is instead shifted to the government subsidy provider as rent is typically capped at 30% of tenant income.

The following chart displays POAH's housing portfolio mix across six metrics: (i) affordability, (ii) LIHTC subsidization, (iii) rental assistance[4], (iv) tenancy type, (v) location, and (vi) property type.

Range of POAH Portfolio Types

(%)



Furthermore, the below table provides a breakdown of POAH's portfolio by state for both all its residential units and affordable units.

Geographic Distribution of POAH's Portfolio as of December 31, 2021

State	# of POAH Properties	# of Residential Units	# of Affordable Units	% of Affordable Units
Connecticut	3	257	246	96%
District of Columbia	1	94	94	100%
Florida	8	1,356	1,341	99%
Illinois	29	2,395	2,159	90%
Kentucky	1	41	41	100%
Massachusetts	32	3,506	3,390	97%
Maryland	1	100	100	100%
Michigan	2	577	577	100%
Missouri	14	1,538	1,538	100%
New Hampshire	3	264	240	91%
Ohio	20	1,141	1,089	95%
Rhode Island	10	1,007	1,007	100%
Total	**124**	**12,276**	**11,822**	**96%**

[4] In addition to Project-Based Rental Assistance units, 5% of POAH's portfolio, or 576 units, include other units with affordability restrictions derived from federal, state, or local housing programs other than the LIHTC or PBRA programs. These programs impose restrictions at affordability levels from 30-120% AMI.

POAH Resident Demographics

POAH's properties serve almost 21,000 residents across a wide range of household types in both family properties (55% of the portfolio) and senior communities (45% of the portfolio). About 29% of POAH's residents are children under age 18 and 38% of residents are seniors (55+).

Many POAH residents are members of historically excluded or disenfranchised identity groups, and POAH's housing mission explicitly focuses on the potential for affordable housing to counteract the legacy of exclusion. More than 60% of POAH's residents are Black, Indian or People of Color ("BIPOC"), and 63% are female – notably, 71% of heads of household are women. At least 17% of POAH's residents are persons with disabilities.

POAH's affordable units are generally targeted to households most in need, and therefore its residents are very low-income, on average. Average household income earned across all POAH properties is $16,500 per year, or an average of 23% AMI, and average household assets are $5,224.

POAH is deeply committed to providing both stable affordable housing and additional supports and services to help its residents attain their own goals. POAH's resident services and programs are described in "Community Impact" herein.

Asset Quality and Portfolio Performance as of December 31, 2021

The preponderance (89%) of POAH's properties are existing buildings that POAH acquired and preserved, with the balance (11%) being the product of new construction projects undertaken by POAH.

As of December 31, 2021, POAH's portfolio has an average portfolio age (weighted by # of units) of 12.3 years since the last major renovation. More than half of the portfolio (53%) was built or substantially renovated within the last 10 years; and most of the remainder (31%) is currently planned for major renovation in the next 5 years, including all properties last renovated more than 20 years ago. Between major renovations, POAH prioritizes consistent ongoing capital investment to maintain high physical quality across the portfolio. This capital investment is supported in significant part from capital replacement reserves maintained at the property level, which totaled $28.2 million as of December 31, 2021.

POAH, through its property management subsidiary POAH Communities, has consistently maintained very high occupancy portfolio-wide. POAH maintained a physical occupancy rate of 97% in 2021 and a five-year physical occupancy

Overview of POAH Households

	POAH Portfolio
Average Yearly Household Income ($)	$16,500
Average Yearly Household Income (% of AMI)	23%
Average Household Assets ($)	$5,224
Female Head of Households (%)	71%
Share of BIPOC Residents (%)	60%

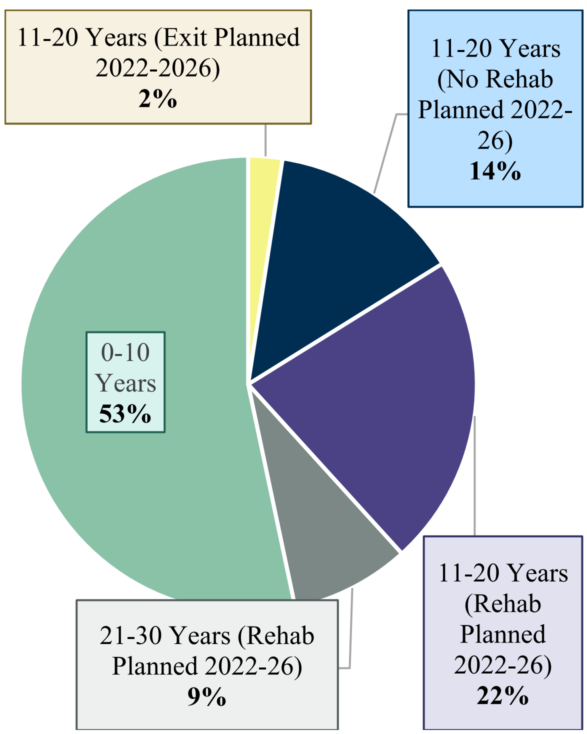
Households by % of AMI

% of AMI	# of Households	% of Households
< 10%	1,827	16.6%
10-20%	4,246	38.5%
20-30%	2,276	20.6%
20-40%	1,187	10.8%
40-50%	715	6.5%
50-60%	399	3.6%
60-70%	145	1.3%
70-80%	100	0.9%
80-90%	49	0.4%
90-100%	30	0.3%
> 100%	50	0.5%
Total	**11,024**	**100%**

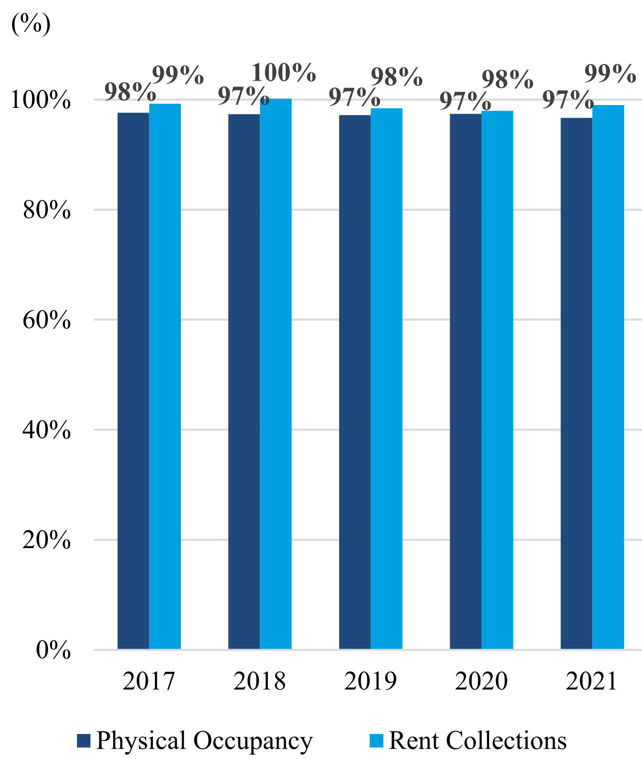
average of 97%[5]. POAH's portfolio also generated rental payment rates of 99% in 2021 and a five-year average of 99%, adjusted for delinquencies. The impact of rent deferral/delinquencies related to the COVID-19 pandemic were mitigated through partnerships between POAH's Community Impact Coordinators ("CICs") and property managers, which connected residents to emergency financial assistance for rent and utilities. For more detail on the Community Impact team's role in COVID-19 response, see "Community Impact" herein.

The graphs below illustrate POAH's overall asset quality by highlighting its low average portfolio age, high physical occupancy levels, and high rent collection rates. For further details on POAH's Affordable Housing Real Estate Portfolio as of December 31, 2021, please refer to the section entitled "Exhibit B – POAH's Owned Real Estate Portfolio as of December 31, 2021" herein.

Years Since Last Rehab



Historical Occupancy and Rent Collections Rates



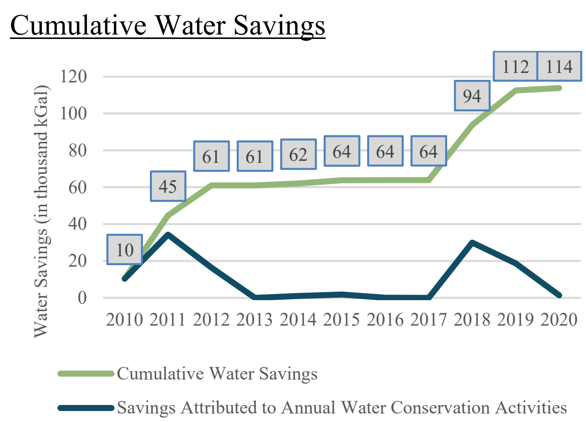
[5] 2019 physical occupancy data excludes properties not then owned by POAH, including: Archer Senior, Clifton Magnolia, Flat 9 (Whittier 4% and 9%), Gardner Terrace I & II, Hazel Winthrop, Hebronville Mill, Island Terrace, Levy House, Sunnyside Kenmore, and Uptown Preservation Apartments; rent collections data excludes: Flat 9 (Whittier 1A 4% and 9%), Gardner Terrace I & II, Hebronville Mill, Island Terrace, and Levy House. 2020 physical occupancy and rent collection data excludes properties not owned in 2020: Island Terrace and Levy House. 2021 rent collections data excludes Island Terrace.

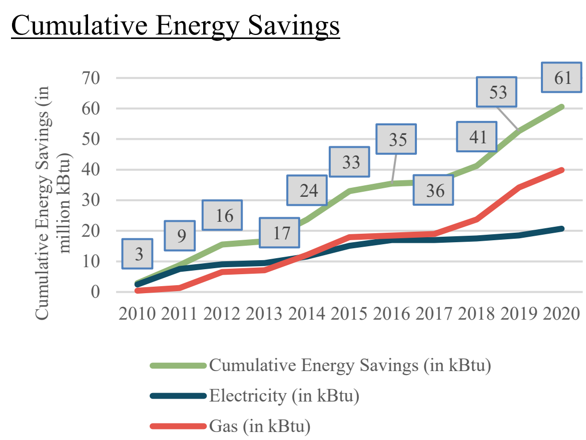
Portfolio Environmental Characteristics

POAH has also long been focused on ensuring its affordable housing communities are as environmentally sustainable and energy efficient as possible. This commitment has multiple drivers, including focusing on lowering energy and water usage to save money for residents and to improve properties' financial viability, as well as focusing on improving sustainability to reduce the disproportionate harm that climate change is having on low-income individuals and their communities.

In 2013, POAH committed to a 20% reduction in energy use intensity (kBtu/sq ft) across its portfolio as part of the Department of Energy Better Buildings Challenge and achieved that goal in 2020 through intensive retrofits across its properties.

Since 2010, POAH has implemented more than 340 discrete water and energy projects across its portfolio, with a total cost of over $15 million. In the aggregate, these projects are producing annual reductions totaling more than 10 million pounds of CO2 avoided, over 100 million gallons of water saved, and over 60 million kBtus of energy saved each year, combining to save more than $2.5 million annually on utility expenses. The charts below demonstrate the cumulative water and energy savings over the 2010-2020 period.





In addition to retrofits, POAH has worked hard to deploy renewable energy at its existing properties. To date, POAH has installed solar photovoltaic panels at 10 properties (totaling almost 490kW), solar thermal systems at 15 properties, and 42 properties are purchasing their electricity through community solar subscriptions.

REAL ESTATE ACQUISITIONS AND DEVELOPMENT

Development Pipeline as of December 31, 2021

POAH's development pipeline (including closings currently scheduled through 2023) currently includes just over 5,400 housing units across 49 development projects located in nine states and the District of Columbia, where POAH already operates its current portfolio. This pipeline comprises a total development cost of over $1.8 billion, of which $814 million is anticipated to be covered by equity sources (principally LIHTC); $450 million is hard/must-pay debt; and $593 million is soft debt/gap financing.

The majority of POAH's current development pipeline consists of renovation of existing POAH-owned properties, including both recently acquired properties and longer-term POAH-owned communities – 66% of units (3,579) and 55% of projects (27), respectively. These projects represent renovations to existing, occupied affordable rental communities where POAH secures financing to undertake the renovations and extends the associated affordability protections. Average household income for current pipeline projects in this category is equivalent to 24% of local AMI. Project financing sources generally include 4% LIHTC equity, first mortgage loans, state and local "soft" gap financing, as well as POAH-contributed sources including deferred developer's fees, seller notes, and Capital Magnet Fund loans. Total development cost for this segment of the pipeline totals $919 million, or about $256,000/unit.

Most of the remaining pipeline is comprised of new construction projects – 32% of units (1,703) and 43% of projects (21). These projects entail the construction of new affordable or mixed-income housing communities – in some cases on vacant land, and in other cases as part of the demolition and redevelopment of existing, distressed affordable housing (which POAH does not own). POAH has site control for all projects listed, and zoning entitlements for projects accounting for 88% of units in the new construction pipeline. Project financing sources generally include 4% and/or 9% LIHTC equity, first mortgage loans, state and local "soft" gap financing, as well as POAH-contributed sources including deferred developer's fees, seller notes, and Capital Magnet Fund loans. Total development cost for this segment of the pipeline totals $918 million, or about $538,000/unit.

Finally, POAH's current pipeline also includes a single planned property acquisition, a 123-unit existing affordable community in Florida. Because the acquisition timeline from identification of an opportunity to acquisition closing is relatively short – measured in months – this pipeline does not include other acquisitions that POAH will likely undertake in the 2022-23 period which have not yet been identified.

POAH prioritizes sustainability and energy efficiency in scoping and design for both new construction and major renovation projects. This commitment begins with POAH's Basis of Design, an open-source design guidelines used by POAH project managers and their design partners to ensure proper methods, equipment, and materials make their way into each and every rehabilitation and new construction project. POAH's Basis of Design incorporate numerous environmental standards, including:

- All enclosures must be capable of meeting Passive House heating and cooling performance requirements and all new construction and deep retrofit projects are to be built to Passive House standards by 2025
- Building water heaters must be Energy Star certified
- All appliances to be Energy Star certified
- All lighting to be LED and Energy Star certified
- All windows and external doors to be Energy Star rated
- All thermostats must be programmable into a tenant mode to conserve energy
- All water fixtures must be low flow (toilets, faucets, showerheads)

POAH prioritizes third-party green building certifications for new construction and major renovation projects to ensure its communities are environmentally sustainable and resource efficient. To date, 15 POAH properties have received some sort of green building designation (e.g. LEED, Enterprise Green Communities, Energy Star for new construction). All 22 new construction projects in POAH's current pipeline will be built to a green building standard (6 LEED, 11 Passive House, 3 EGC, 2 other/to be determined). All major renovation projects are designed for at least 20% reduction in energy/water use, and 18 of 27 current pipeline renovation projects are using the Enterprise Green Communities checklist or another green standard (5 are to be determined). POAH's new strategic plan sets a goal to achieve Passive House US ("PHIUS") certification on all new construction projects by 2025.

The table below highlights POAH's development pipeline as of December 31, 2021. For further details on POAH's development pipeline, please refer to the section entitled "Exhibit C – POAH's Development Pipeline as of December 31, 2021" herein.

Summary of Projects in POAH's Development Pipeline

	New Construction		**Acquisition**		**Owned Property Renovations**		**Total Projects**	
	Units	**Projects**	**Units**	**Projects**	**Units**	**Projects**	**Units**	**Projects**
District of Columbia	473	3	--	--	94	1	567	4
Florida	113	1	123	1	220	1	456	3
Illinois	44	2	--	--	1,093	12	1,137	14
Massachusetts	961	13	--	--	790	5	1,751	18
Maryland	--	--	--	--	100	1	100	1
Maine	44	1	--	--	--	--	44	1
Michigan	68	1	--	--	--	--	68	1
Missouri	--	--	--	--	884	3	884	3
Ohio	--	--	--	--	294	3	294	3
Rhode Island	--	--	--	--	104	1	104	1
Total	**1,703**	**21**	**123**	**1**	**3,579**	**27**	**5,405**	**49**

Financing POAH Acquisitions and Development Projects: Key Capital Sources

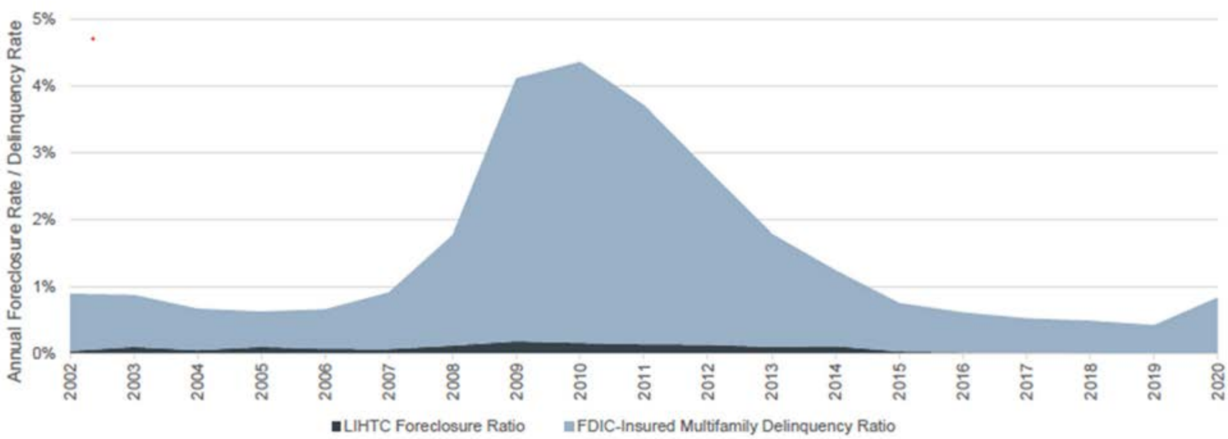
POAH's Acquisitions and Development teams focus on the preservation, creation, and growth of POAH's portfolio. POAH finances its affordable housing developments through a combination of tax credit equity, public sector subsidy in the form of soft debt, and hard debt conservatively structured against property rental income.

Low Income Housing Tax Credit Equity

The LIHTC program is the nation's primary tool for creating new affordable housing to address these needs, and for renovating existing affordable housing. The LIHTC program provides equity financing for the development of affordable housing that serves households earning 80% or less of the AMI with rents restricted to keep the units affordable. Through construction of new apartments, preservation of existing affordable housing, and rehabilitation of older multifamily buildings, the LIHTC program adds to the nation's supply of affordable housing. Since its inception, the LIHTC program has made possible the production or preservation of more than 3.6 million affordable apartments, serving over 8 million households to date; supported approximately 5.7 million jobs for one year; and generated $223 billion in tax revenue and $643 billion in wages and business income[6]. No other local, state, or federal program comes close to the housing credit program's level of production[7]. The LIHTC program has been stable, with a 0.57% cumulative foreclosure rate since the program's inception in 1986[8]. These annual foreclosure rates have remained well below annual conventional multifamily delinquency rates, as illustrated in the following graph over the 2002 – 2020 period[9].

Annual LIHTC Foreclosure Rate vs. Conventional Multifamily Delinquency Rate

(%)



LIHTC equity is a key component of the capital stack for most United States affordable housing development projects, including POAH's construction and acquisition/rehabilitation projects. LIHTC equity is a key funding source for all but two projects in the current POAH pipeline, accounting for about 40% of total development costs for the pipeline overall.

The LIHTC program encompasses two distinct federal tax credits – the "9%" LIHTC, designed to offset approximately 70% of eligible project capital costs, and the "4%" LIHTC, designed to cover approximately 30% of project costs. These federal tax credits are allocated to eligible affordable housing projects through public agencies at the state level (Chicago, New York City, and Washington, D.C. also receive LIHTC allocations). The 9% LIHTC is awarded competitively to projects aligned with state/local housing priorities; the 4% LIHTC is generally available as of right to qualifying projects financed with tax-exempt private activity bonds (the supply of these bonds is a constraint in some states). LIHTC projects must comply with statutory affordability restrictions for at least 30 years, and typically longer.

LIHTC-funded projects typically bring in a LIHTC investor as a limited partner in the ownership entity; the investor contributes cash equity to fund acquisition and construction work in exchange for a 10-year stream of federal tax credits. The cash equity provided by LIHTC investors is used to pay for affordable housing construction/renovation costs and are capitalized on the balance sheet and therefor do not impact revenue or liquidity. POAH's largest LIHTC equity investors by dollar amount include Alliant, Boston

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[6] National Association of Home Builders, 2021; Low Income Housing Tax Credit; Low Income Housing Tax Credit - NAHB
[7] Housing Tax Credit Investments, November 2021; https://www.cohnreznick.com/-/media/resources/tcis_credit-report_2021_cohnreznick.pdf
[8] Ibid
[9] Ibid

Financial, JP Morgan Chase, Massachusetts Housing Investment Corporation, and the National Affordable Housing Trust.

POAH has a long track record of success in securing LIHTC awards and partnering with LIHTC investors dating back to its founding in 2001, when it was spun off from a nonprofit LIHTC syndicator (the National Equity Fund). To date, POAH has built or renovated 85 affordable housing communities using the LIHTC, totaling more than 10,200 housing units. These projects represent 85 successful LIHTC awards from 10 different credit allocating agencies – including 71 of the 4% LIHTC awards and 14 of the 9% LIHTC awards to date. POAH has leveraged those credit allocations to secure more than $450 million in LIHTC equity through partnerships with more than 15 different investors/syndicators, including numerous partnerships spanning multiple projects. POAH's track record and expertise make it a trusted partner for investors, who typically offer premium pricing for POAH-sponsored projects. This has allowed POAH to deliver LIHTC projects consistently throughout market cycles and changes in LIHTC pricing, including through the 2009-10 recession and the impacts of the 2017 Tax Cuts and Jobs Act.

Hard Debt

POAH's hard debt is underwritten against conservative standards to ensure that property rents will be sufficient to cover hard debt service and associated property management fees and expenses. POAH's hard debt is typically structured to have a minimum Debt Service Coverage Ratio ("DSCR") of 1.15x or more; most project lenders and investors also require initial underwriting that indicates positive DSCR for at least 15 years using conservative trending assumptions. POAH's hard debt is also generally limited by lender loan-to-value ratios of 80% or less, where property value is constrained by existing or proposed affordability restrictions. POAH's outstanding hard debt consists predominantly of 30-year amortizing fixed rate mortgages with due dates ranging from 15-30 years depending on varying characteristics including the lender as well as project specific considerations. POAH strategically structures its hard debt financing to avoid pre-payment penalties at time of resyndication, which can occur any time after the 15-year LIHTC Compliance Period.

As of December 31, 2021, POAH's portfolio had a hard debt balance of $603.5 million, or about $49,000 per unit. This hard debt balance represents only 42% of portfolio book value after depreciation ($1.43 billion at December 31, 2021, or about $117,000 per unit) or 58% of estimated aggregate market value of $1.24 billion (about $101,000 per unit).

POAH's outstanding hard debt consists predominantly of 30-year amortizing fixed rate mortgages with due dates ranging from 15-30 years depending on varying characteristics including the lender as well as project specific considerations. POAH strategically structures its hard debt financing to avoid pre-payment penalties at time of resyndication, which can occur any time after the 15-year LIHTC Compliance Period.

Soft Debt (Subordinate / Non-Current-Pay Public Sector Subsidy)

Many POAH properties receive public sector subsidy in the form of third-party subordinate debt from state and local public agencies – also referred to as "soft debt" or "gap financing" – some assumed as part of their original acquisition, and some deriving from POAH's construction or renovation of the properties. In the aggregate, POAH's 124-property portfolio has soft debt from third-party lenders totaling approximately $304 million (about $24,000 per residential unit). This compares to total hard debt of about $603.5 million (about $49,000 per unit) and estimated total market value of $1.24 billion (about $101,000 per unit).

POAH's third-party soft debt comes from a variety of sources: 48% comes from state subsidy programs, 31% from local or county-level subsidy programs, 9% from federal subsidy sources, and 12% from other private subsidy sources.

This third-party soft debt is a key capital source for the construction or renovation of affordable housing projects, filling the capital budget gap remaining when project costs exceed supportable first mortgage debt financing and LIHTC equity (if any). It is structured as debt in part for tax reasons (most of the properties in question have LIHTC investors), but it is "equity-like" – it is generally payable only from available cash flow, and is generally only repaid when a property is financially healthy enough to generate resources from a refinance or resyndication beyond what is necessary to address its long-term repair needs. Interest, if any, may or may not accrue if unpaid, but any failure to pay current interest is not an event of default since payments are due only to the extent property operating cash flow in any given year is sufficient to reach the soft loan's position in the cash flow waterfall. Soft debt is secured at the property level and is not recourse to POAH.

57% of POAH's soft debt uses an interest-bearing residual pay structure and the remaining 43% of POAH's soft debt uses a non-interest bearing structure (i.e. 0% interest), which results in POAH having a blended soft debt interest cost of 1.52%, which does not need to be paid in the event there is insufficient property cashflow as described above. POAH's third-party soft debt is long dated, with the vast majority of loan terms at 30 years or longer, and an average time to maturity of more than 20 years (as of December 31, 2021).

In each property's cash flow waterfall, this third-party debt is typically subordinated and paid after the fees POAH earns as general partner and the money paid to POAH on its related-party property loans. In particular, POAH's deferred developer fee loans (fees earned from development that are contributed to the partnership as a loan payable from cash flow instead of being paid from development sources) are virtually always prioritized in the cash flow waterfall above any other soft loans. The result is that POAH's largest source of parent company revenue each year is derived from general partner revenue, related-party POAH loans, and deferred developer fees, all of which are typically paid ahead of any soft debt payments. In cases where cash flow does reach through the waterfall to service soft debt – as, for example, if POAH's own higher-priority loans have been fully repaid - POAH will typically continue to receive a percentage of cash flow distributions.

Very little distributable cash flow from POAH's properties is used to service third-party soft debt; in 2020 (the most recent year for which audited financials are available), of $22.5 million total positive surplus cash generated across the POAH owned portfolio, only $1.3 million (6%) went to service third-party soft debt.

As an illustration, POAH's Tribune Apartments property underwent a major renovation in 2017, and funding sources included subordinate soft loans totaling $3.7 million. However, because POAH-held notes with a starting balance of $3.1 million is paid in advance of all other subordinate debt in the waterfall, all surplus cash from operations has flowed to POAH as payments on its notes, and no payments have been made to soft lenders to date. Once POAH's notes are repaid in full, 50% of surplus cash will flow to soft lenders. The cashflow waterfall associated with Tribune Apartments is detailed in the following table.

Tribune Apartments – Surplus Cash Waterfall

	2017	2018	2019	2020	2021	2022[10]
Surplus Cash from Property Operations	**$173,837**	**$267,349**	**$313,368**	**$316,450**	**$214,456**	**$419,001**
First, to 100% to POAH Deferred Development Fee[11]	**(173,837)**	**(215,977)**	**--**	**--**	**--**	**(419,001)**
POAH Deferred Fee Balance Remaining	*1,086,032*	*922,732*	*968,869*	*1,017,312*	*1,068,178*	*689,340*
Second, 100% to POAH Reserve Loan	**--**	**(51,372)**	**(313,368)**	**(316,450)**	**(43,069)**	**--**
POAH Reserve Loan Balance Remaining	*500,439*	*480,798*	*348,841*	*42,190*	*--*	*--*
Third, 100% to POAH FHLB AHP Loan	**--**	**--**	**--**	**--**	**(171,437)**	**--**
POAH Reserve Loan Balance Remaining	*500,000*	*500,000*	*500,000*	*500,000*	*328,563*	*328,563*
Fourth, 50% to POAH State HTC loan	**--**	**--**	**--**	**--**	**--**	**--**
POAH Reserve Loan Balance Remaining	*736,000*	*736,000*	*736,000*	*736,000*	*736,000*	*736,000*
Fourth, 50% to CEDAC/MHP soft loans	**--**	**--**	**--**	**--**	**--**	**--**
POAH Reserve Loan Balance Remaining	*--*	*--*	*--*	*--*	*--*	*--*
Fifth, repay Operating Deficit Capital Contributions						
Sixth, 50% to GP (POAH) and 50% to Limited Partner	**--**	**--**	**--**	**--**	**--**	**--**
Total to POAH	**$173,837**	**$267,349**	**$313,368**	**$316,450**	**$214,506**	**$419,001**
Total to Soft Lenders	--	--	--	--	--	--

With regard to the disposition of proceeds from future capital events, although third-party soft loans are typically due on sale or refinance, in practice, public soft lenders prioritize a property's long-term physical and financial viability and so they typically allow existing soft loans to be assumed and resubordinated rather than insist on repayment from limited transaction proceeds that are needed to address a property's long-term physical needs. In this context, repayment of third-party soft debt occurs only when a property is so financially robust that transaction proceeds exceed what is necessary to ensure the asset's long-term stability.

As an illustration, across four POAH transactions (occurring during the time period of August 2020 through August 2021) with existing third-party soft debt, $42.4 million (95.7%) in third-party soft debt was assumed and resubordinated, compared to just $1.9 million (4.3%) which was required to be repaid. These totals include three transactions with limited internal resources and significant repair needs where the third-party soft lenders permitted the assumption of nearly all existing soft debt (and in two cases contributed additional resources), as well as one transaction where the resyndication generated sufficient new funding to address long-term capital needs and pay off all third-party debt.

[10] Projected
[11] $914,100 is deferred until fifth anniversary of funding of fifth equity installment, 10/26/2023

Construction Debt

POAH employs construction debt as a funding source for its construction and renovation projects. This debt is typically relatively short-term, floating-rate financing, and is drawn on over the course of the construction process through a rigorous requisition process overseen by all project partners. Construction loans are then repaid in full from permanent sources, typically including permanent first mortgage debt, LIHTC equity, and other sources. As of December 31, 2021, POAH's projects had $149 million of construction financing outstanding, of which $130 million will convert to permanent first mortgage debt.

Criteria and Processes for Evaluation of Acquisition and Development Opportunities

POAH expands its mission impact each year through the acquisition and development of affordable housing communities. This section outlines the criteria and processes POAH uses to evaluate and approve new acquisition and development opportunities ("opportunities"). These criteria include:

(1) Criteria for evaluation of new opportunities
(2) Criteria for evaluation of new geographic markets
(3) The review and approval process for new opportunities

1) Criteria for New Opportunities

The following screening criteria for prospective opportunities seek a balance between filtering out properties that are highly unlikely to meet POAH's standards as excellent long-term affordable housing and not being so exclusive that POAH bypasses sound opportunities. Recognizing that the opportunistic nature of real estate must permit exceptions to the rule, a process for considering properties that don't meet these standards is incorporated in the review/approval process described later in this section.

Project Attributes

Mission: The opportunities, including the proposed transaction strategy, must be consistent with POAH's charitable mission, which is "to preserve, create and sustain affordable, healthy homes that support economic security, racial equity, and access to opportunity for all." In this context, opportunities for acquisitions should generally present some risk to long-term affordability, including market-conversion risk or accumulating capital needs.

Racial Equity: The opportunities should advance POAH's racial equity goals.

Viability: Following POAH's intervention (including planned renovations, strong management, and proposed resident services), the property should be a viable community that supports positive outcomes for its residents and of which POAH can be proud.

Competitive Advantage: The opportunities should be aligned with a POAH competitive advantage – including, but not limited to, POAH's preservation expertise, aptitude for regulatory complexity, nonprofit status and alignment with public-sector and other mission-driven entities, and other factors.

Scale: The property should be of sufficient scale to make property management operations financially viable (generally, 75 or more units to support a full-time property manager and maintenance person at a stand-alone property). Smaller properties may be viable within 50 miles of existing POAH assets if staff-sharing can be arranged.

Market/Affordability: The property should serve a local need for affordable housing by providing affordable units with below-market rents (it can also include market-rate units). In some cases, near-market affordable rents are acceptable if market rents are expected to increase (in a gentrifying neighborhood, for example). Properties with rental assistance contracts serve a critical need and are a high mission priority.

Neighborhood: The property's neighborhood should be sufficiently stable, safe, and proximate to amenities so that the property itself can meet the social viability standard above, and so that it can successfully lease units. Opportunities in more challenging neighborhoods should be of a scale and scope so that they can improve these conditions (such projects are exceptional).

Development / Capital Budgets

Development Funding: If the transaction needs funding beyond sources available as-of-right, the property should be well-positioned to secure those resources based on strong local support, alignment with state or local funding priorities like preservation, supportive services, opportunity areas, etc. The transaction approach should provide strategies to mitigate losses if sufficient resources cannot be secured, whether through scope reduction, market sale, or other.

Capital Needs: The proposed transaction plan should identify anticipated long-term capital needs and include a strategy to address long-term capital needs through a combination of construction / renovation work and initial and ongoing replacement reserve deposits. In general, ongoing replacement reserve deposits should equal or exceed $350/unit/year, and operating reserves should be equal to at least 6 months' operating expenses.

Operating Budgets

Operating Expenses: The underwritten property operating budget must be adequate, given local market costs, as verified by POAH Communities staff. Operating expenses should reflect the impact of neighborhood / market conditions on vacancy and collections, security costs, and other operations lines.

Operating Assumptions: Underwriting should generally incorporate the following baseline assumptions; variances should be justified.

- Rent: Rents should incorporate a discount to the prevailing market rents at nearby unrestricted (or "market rate"), but otherwise comparable, properties. Rents for units without a project-based subsidy in a LIHTC-financed property should not exceed the lesser of: (i) 95% of the applicable maximum LIHTC rent, or (ii) 95% of the prevailing market rent. All rent assumptions should be supported by market research.
- Vacancy: At least 5%
- Revenue Inflation: 2%
- Expense Inflation: 3%
- Property Management Fee: $57 per unit per month.
- Insurance: initial estimate should be based on nearby comparable properties owned by POAH; an insurance quote should be obtained before purchase & sale.

Resident Services: The transaction plan should address the need for resident services among the resident population and define the approach for service delivery, including annual budget costs and sources. In some cases, resident services costs can be borne in the POAH corporate budget rather than the property budget, but should be reflected in the Net Present Value analysis described in the following subsection.

Financial Return

Net Present Value: The project's 15-year net present value, incorporating all projected costs, including staff time and invested funds and all revenues received by POAH, should not be less than $250,000 using an 8% annual discount rate.

Cash Flow: The project must generate positive surplus cash flow over a 15-year forecast period. Cash flow to POAH should average at least $500/unit/year over the 15-year forecast period. Operating deficits during an initial period of stabilization may be acceptable but should generally be offset from a dedicated reserve or otherwise factored into the Net Present Value calculation described above.

Risk Exposure

Downside Assessment: The transaction approach must explicitly identify significant risks present in the primary strategy, define strategies for mitigating each risk, and quantify the anticipated financial exposure/losses from the worst-case outcome. Mitigation strategies may include rehab scope reduction, adjustments to operating budgets, property sale, or other appropriate responses.

Pipeline Mix: The opportunity must not contribute to excessive concentration in any given market or project type (acquisition/hold, new construction, major redevelopment) across the overall pipeline of active projects.

2) *Criteria for New Markets*

The following criteria are used to evaluate whether to begin pursuing opportunities in a new market area. Entering a new market successfully requires a major investment of time and resources which much be justified by a detailed plan addressing the elements below. The decision to begin pursuit of opportunities in a new market is made by the CEO, with advice from the senior staff.

Financial Viability: Local market conditions, including rents, acquisition costs, operating costs, and rehab/construction costs, must allow POAH to structure financially viable projects meeting its underwriting criteria set forth above.

Resource Availability: The market should allow predictable access to capital resources, including debt, equity and gap sources, in sufficient amounts and on terms sufficient to make opportunities financially viable based on POAH's underwriting criteria above and local market conditions (including rents, operating costs, and construction costs). Availability and terms for LIHTC allocations (whether 9% LIHTC or 4% LIHTC with tax-exempt bonds) are crucial considerations, as are the extent of state or locally funded gap financing sources.

Scale: The market must offer strong potential to acquire or begin construction on at least 300 units in opportunities meeting the standards described above within three years, as demonstrated by identification of specific development opportunities which POAH can pursue. Scale is important both to offset the investment in entering a new market and for ongoing property management efficiency.

Market / Competition: The market must be reasonably accessible to POAH without major barriers to entry. POAH should be able to identify competitive advantages it would enjoy in the market, relative to existing actors. Partnerships with established local actors may be a strategy to overcome initial barriers so local experience and relationships can be developed.

Staffing: There must be a viable plan for staffing the proposed acquisitions, development, and property management work. This plan must address the potential need for local presence – a necessity for most new construction or redevelopment efforts. Partnerships with local actors may be a strategy to address local staffing needs.

Property Management: The plan should address the need for a very strong property management agent with compliance expertise. POAH Communities is the preferred property management agent, but new markets may require interim partnerships with established management agents.

Context: Given the staff-intensiveness of entering new markets, POAH will generally not pursue more than one or two new markets simultaneously.

3) *Review and Approval Process for New Opportunities*

Overview

Proposed opportunities, or other similar activities, are subject to a standard review and approval process designed to ensure that projects appropriately advance POAH's objectives and do not present excessive risks.

Identifying Opportunities

The Acquisitions team has primary responsibility for identifying and evaluating opportunities and for developing initial transaction strategies for promising opportunities. The Leadership team (POAH's CEO, Managing Directors, Senior Vice Presidents, and Vice Presidents) and other external-facing staff share responsibility for generating potential opportunities for review and development by the Acquisitions team.

Internal Investment Committee Review / CEO Approval

The SVP of Acquisitions, in consultation with POAH's CEO and such other members of the staff as may be appropriate, selects opportunities for review by POAH's Internal Investment Committee ("IIC"). The IIC consists of the senior staff, Acquisitions staff, and any other staff involved in developing the opportunity under review. The Acquisitions team presents the details of the opportunity in a memorandum to the IIC and the IIC discusses the opportunity and provides feedback.

The IIC memorandum must address all criteria identified under "Criteria for New Opportunities" above, including:

- A description of the opportunity, an explanation of why POAH is considering pursuing the opportunity, and a detailed list of risks and potential risk-mitigating strategies
- Information on the opportunity's key attributes (Mission, Racial Equity, Viability, Competitive Advantage, Scale, Market/Affordability, Neighborhood)
- Detailed capital budget (for each transaction stage, if multiple) identifying any variances from the standard underwriting assumptions identified above
- Detailed operating budget (for pre-development and post-development periods, as applicable) identifying any variances from the standard underwriting assumptions identified above
- Information on the project's financial return, including average 15-year cash flow and Net Present Value
- Information identifying any significant risks, mitigation strategies, and anticipated loss in the worst-case scenario after applying any available mitigation strategies

After review and comment by the IIC, the CEO determines whether to proceed with the opportunity.

No purchase offer, Request for Proposal submission, or other similar submission may be made for an opportunity prior to IIC review, except with the CEO's approval (in which case an IIC must be scheduled to review the opportunity as soon as possible). No more than $25,000 may be invested in any opportunity which the IIC has not reviewed, or which the CEO has determined not to pursue after IIC review. No funding application may be submitted for any opportunity which the IIC has not reviewed or which the CEO has not approved. Projects reviewed and approved by IIC which subsequently undergo increases in offer price, risk profile, or proposed POAH equity investment must come back to IIC for review.

Board Investment & Development Committee Review / Board Approval

POAH's Board of Directors (the "Board") must review and approve an opportunity before either (1) earnest money deposits become non-refundable or (2) POAH incurs more than $100,000 in costs related to that opportunity.

The Board has delegated its authority to review proposed acquisition or development transactions to its Investment and Development Committee, also known as the External Investment Committee ("EIC"). Accordingly, the SVP of Acquisitions and the Managing Director for Development share responsibility for bringing proposed transactions before the EIC for review. To facilitate EIC review, the staff provide a detailed memo describing key attributes of the proposed transaction, including performance on key financial metrics; significant risks; and the capitalization of the proposed transaction, including any required POAH investments, from POAH's Mission Capital Fund or other equity or guaranties.

The EIC must vote to approve a transaction before it can be considered by the full Board. No transaction may be brought to EIC unless it has already been reviewed by IIC and approved by the CEO. Projects reviewed and approved by EIC which subsequently undergo significant increases in risk profile must come back to EIC for review (even if the Board approval has already been received).

Following EIC review and approval, the full Board must vote to approve the transaction. Typically, the Chair of the EIC will describe the opportunity to the full Board and summarize the feedback and recommendations of the EIC (which generally will have reviewed the project the prior day), and the Directors have an opportunity to ask questions and offer feedback prior to voting on a resolution describing the opportunity and authorizing a defined level of predevelopment investment.

Notwithstanding the $100,000 limit above, in the event that timing constraints prevent the timely presentation of an opportunity to the EIC and/or Board, the CEO, with the approval of the Board Chair and the EIC Chair, may allow POAH to incur additional costs related to that opportunity, generally not to exceed $250,000 (higher amounts may be approved in the event of unique circumstances).

Board Authorization for Transaction Closings / Equity Investments

Subsequent and distinct from its authorization of predevelopment investments, the Board must also provide specific authority for any acquisition, construction, or syndication closing. Typically, the Project Manager will work with POAH's Legal team to craft the necessary authorizing resolutions, which can be considered either at quarterly Board meetings or, if necessary, via unanimous written consent (email vote).

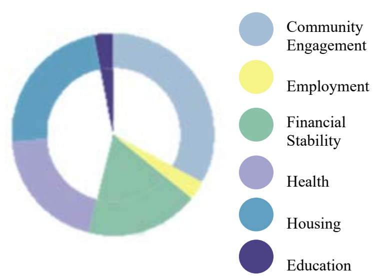
COMMUNITY IMPACT

Resident Services and Programs

Beyond providing safe, affordable, and comfortable homes, POAH supports resident success through POAH Communities. POAH Communities administers the Community Impact initiative, a portfolio-wide approach that provides data-informed resident services coordination that is integrated with on-site property management and maintenance teams. The Community Impact initiative has three primary funding sources. First, resident services can be budgeted by POAH Communities within property-level budgets and corporate-level operating budget. Second, profits earned by POAH Communities will flow to POAH's Mission Capital Fund, which is used for acquisitions and to reinvest in resident programs and services. Third, additional resident programs can also be funded through grants and philanthropy.

POAH's Community Impact Coordinators ("CICs") work with residents to provide resources in key outcome areas: housing, health, community engagement, employment and financial stability and youth engagement.

Services by Outcome Area



- **Housing:** Ensure all residents have opportunity to realize their goals by removing barriers to staying in their home and growing with the community
- **Community Engagement:** Integrate POAH's goals with those of the community to encourage resident leadership in support of a better quality of life
- **Health:** Support access to quality healthcare for youth, adults, and seniors across POAH's portfolio
- **Education:** Pledge to grow pathways to quality, affordable childcare, after-school programs, and adult education
- **Employment:** Strengthen partnerships with local employers and educational institutions to support income growth for individuals and families
- **Financial Stability:** Encourage the use of quality financial products, coaching savings, and planning for the future

POAH Communities delivers these services through a team of CICs in properties across the country, who will partner with property managers to connect residents to resident services and community programs. 72% of POAH properties are served by a CIC, which has enabled, on average, 18,000 individual services provided to residents each year. These individual services include emergency financial assistance, health care enrollment, utility assistance, referrals to job training programs and more.

CICs organize and provide the following core services to residents:

- Support stable tenancy through rent assistance, budgeting, and collaboration with property management
- Help residents maintain a safe, clean, and healthy home through 1-1 housekeeping support
- Promote access to fresh and healthy foods through on-site food distribution programs
- Support civic engagement by helping residents get registered to vote and mobilizing on election day
- Host community building events to encourage residents to build relationships with one another and the on-site management team
- Provide on-site nursing services through local community partners and/or health workshops to support health management and overall wellbeing (senior sites)

- Create or connect youth to out of school programming such as afterschool programs, field trips and summer camp (family sites)

Additionally, CICs work in partnership with local organizations, including non-profits, municipalities, and other community groups, to offer amenities and programs that respond to the unique interest of their local community. Some examples are detailed below.

- At Hillcrest Village in Providence, Rhode Island, the Rhode Island Public Health Institute provides 'Food on the Move', which is a culturally competent local fresh produce market that offers healthy, nutritious food to residents at deeply discounted prices. Similar on-site programs help ensure that residents have access to affordable food right at their doorstep, reducing transportation costs and bridging the gap for residents that lack convenient, affordable grocery options.
- Throughout POAH's Cape Cod portfolio, Mobile Dental Hygiene Services, a community health organization, offers convenient, on-site access to preventative oral health for both children and adults. On-site health services are shown to reduce costs and increase preventative care utilization.
- In POAH's Cincinnati portfolio, more than 80 youth participate in daily summer camp, free swim programs and family-fun evening events hosted in partnership with non-profit partners throughout the city. For example, The Play Library, a local non-profit dedicated to supporting children's right to play, hosts a week-long camp for POAH youth focused on creativity, exploration, social justice education and art-making.
- In Chicago, POAH's staff Career Navigator partners with local employers, including a local Jewel-Osco grocer, to host monthly on-site recruitment sessions. Residents can attend interviews for open positions at POAH's on-site resource center, reducing transportation and other common job search barriers.
- At Meadowbrook Apartments in Florence, Massachusetts, Friends of the Northampton Trails and Mass Bike, Inc. provide a free Bike Repair Clinic to all residents. Through this partnership, residents can access an important and often expensive service that helps to expand or preserve their transit and exercise options. Residents enjoy coming together for this event, which is fun for all ages.

Within the Community Impact initiative, POAH Communities is able to offer the Family Self-Sufficiency ("FSS") at 30 properties. The FSS program combines three key components – mobility, opportunity, and stability – in order to incentivize work and help participants build savings, achieve stable affordable housing, receive one-on-one coaching to help participants achieve their employment as financial goals, and create an escrow savings account tied to rental payments. Since launching the program in 2016, more than 550 residents have benefitted, collectively saving over $1.4 million in escrow, at an average of nearly $7,500 per FSS family in just 3-4 years. POAH is committed to expanding the FSS program to all eligible properties over the next 5 years.

POAH has also established regional Resource Centers where it works with local partners to advance its mission of supporting economic mobility. POAH's Woodlawn Resource Center ("WRC") in Chicago offers skill-building, workforce certifications and education programs including financial, employment and income support services, behavioral health, GED, college preparedness and digital literacy. WRC has helped more than 1,000 community members secure employment since it opened in 2015.

POAH, POAH Communities, and the Community Impact initiative are not only devoted to continuing the success of its current programs, but also enlisting innovative ideas to improve resident services. For instance, in 2020, POAH was awarded one of six Housing Affordability Breakthrough Challenge ("HABC") grants for its proposal to advance trauma-informed practices in affordable rental housing. Through the Community Impact initiative, the Trauma Resiliency Initiative will employ $2.5 million received in grant monies from HABC to help design, test, and scale trauma-informed innovations in property management, resident services, and physical design along with 5 core partners across 4 pilot sites. POAH will be dedicating the next two years to reimagining property management, resident services, and physical design through the lens of trauma-resiliency. The result will be a more equitable model for affordable housing that reduces evictions, improves resident and staff retention, promotes health through physical design, and helps residents pursue and realize their hopes and goals.

POAH's Community Impact Response to COVID-19

When the COVID-19 pandemic disrupted daily life for millions of Americans, POAH Communities staff sprang into action. CICs began to conduct wellness calls to every resident of POAH properties. Wellness calls cover a range of important topics that respond to the unique needs of each household, such as:

- Education on COVID-19 and how to stop the spread
- Access to food, including Meals on Wheels and onsite food pantries
- Refilling prescriptions and other medications without leaving home
- Paying rent, understanding the eviction moratorium, and accessing rent assistance
- Understanding Economic Impact Payments, Unemployment Insurance, SNAP expansion, and other public benefits
- Obtaining free or low-cost internet through public schools or internet service providers
- Connecting with a caring person at a time when many feel lonely or afraid

CICs partnered with Property Managers to connect residents to emergency financial assistance for rent and utilities. Through wellness calls, flyers and monthly phone outreach, teams worked together to identify households who are falling behind on rent and support them every step of the way in applying for financial assistance. For example, at Hawthorne Place in Independence, Missouri, POAH partner Community Services League provided more than $150,000 in emergency rent and utility assistance in the month of November alone. In Massachusetts, where POAH has been a vocal advocate to expand rent assistance funds, POAH Communities staff have helped residents apply for more than $320,000 in aid.

As of February 28, 2022, POAH Communities has performed over 32,000 COVID-19 wellness checks, created 22 emergency food pantries, and connected 1,400 residents to food assistance. POAH Communities also went to great lengths to ensure the financial stability of its residents during the COVID-19 pandemic. As of February 28, 2022, CICs have connected 1,461 residents to over $2.8 million in rent assistance.

STRATEGIC PLAN

This section summarizes POAH's latest strategic plan, implementation process, and outcomes from the previous five-year strategic plan.

2022-2026 Strategic Plan (the "Plan")

The Plan was crafted in POAH's 20th year and defines a roadmap the team will follow over the next five years (2022-2026). The Plan's strategies and actions were developed by the staff of POAH and POAH Communities – with feedback and support from the Board, residents, partners, and other stakeholders – as a framework to support POAH's steadily growing impact in service of its mission and its residents.

Several important themes and issues span across the structure of the Plan, each representing an important focus in its own right. Some of the most important include:

- Racial Equity, Diversity, and Inclusion
- Resident Engagement and Empowerment
- Trauma-Informed Practices
- Sustainability
- Capacity for Growth

Plan Approach

POAH's strategic planning process yielded eight areas of strategic focus which will define POAH's core priorities in the coming five years. The sections to follow outline strategies in each of eight priority areas, including an overview of the planned approach and a set of target outcomes:

1. Growth

POAH should continue to expand its mission impact by seeking new preservation and development opportunities where it can make a positive difference for residents and communities, and by continuing to build internal capacity to keep pace with this growth. In project structuring and review, POAH should prioritize racial equity, community impact, and long-term stability. POAH should continue to work with mission-aligned partners to expand capacity, access new markets, and test new business models.

Over the next five years, POAH will:

- Acquire, build or support **5,000 housing units.** Within that total:
    - Preserve **750 units of at-risk unassisted affordable housing** (in LIHTC or NOAH properties)
    - Support **750 homeownership opportunities** (through development partnership or resident supports)
    - Undertake new projects with 10 Minority Business Enterprise/Black, Indigenous, People of Color (MBE/BIPOC)-led development partners
    - Pursue geographically diverse pipeline through **new projects in 8 states (existing or new markets)**

2. Real Estate Development

POAH should leverage its real estate development work – including its selection of development, funding, and construction teams – to support racial justice and community benefit. Building on its existing collaborative development approach, POAH can optimize its real estate development systems and processes to support timely collaboration with all project stakeholders – in particular, property management staff and residents – to ensure consistently strong project outcomes.

Over the next five years, POAH will:

- Target **35% or more of project hard costs to Minority Business Enterprises ("MBEs")** and **10% or more to Women Business Enterprises ("WBEs")** on average
- Target **20% or more of project third-party vendor costs to MBEs/WBEs** on average
- Deploy core tools for every project (project mission statement; standardized Smartsheet project schedule; cross-departmental Microsoft Teams platform)

3. Better Buildings

Excellent buildings are at the foundation of POAH's mission to provide sustainable, healthy, affordable housing. POAH should continue to strive for excellence in project design – consistently incorporating feedback from key stakeholders including residents, site teams, and project partners – and commit to high standards for energy performance and indoor air quality.

Over the next five years, POAH will:

- Design **all new construction projects to Passive House** standard by 2025
- Target an average of **20% energy/water savings across all substantial rehabilitation** projects

4. Resident Outcomes

POAH should continue to expand its efforts to empower its residents – expanding opportunities for resident voice in POAH's operations; providing robust support for residents' economic success; adjusting operations to respond supportively to legacies of trauma; and optimizing program models to ensure accountability and impact.

Over the next five years, POAH will:

- Offer the **Family Self Sufficiency program at all eligible sites**
- Support exits to **homeownership for 550 residents**
- Launch high-speed, low-cost, in-unit **wi-fi service at 25 sites**
- Launch a new **resident advisory board**
- Deploy **voter registration** initiative at all properties

5. Property Management and Stewardship

POAH should continue to expand its efforts to empower its residents – expanding opportunities for resident voice in POAH's operations; providing robust support for residents' economic success; adjusting operations to respond supportively to legacies of trauma; and optimizing program models to ensure accountability and impact.

Over the next five years, POAH will:

- Invest **$120 million in capital investments for properties owned** at start of plan period
- Incorporate **trauma-informed practices** in property management
- **Double MBEs/WBEs** utilization as a share of property third-party spending from 10% to 20%

6. Internal Coordination

As POAH grows in scale and complexity, effective internal coordination is ever more essential for its continued success. POAH should continue to encourage seamless collaboration within and across its departments by deploying and supporting streamlined internal communications systems; consistently preparing all staff to perform their roles "the POAH/C Way"; and by fostering a collaborative workplace culture that is inclusive for staff from all backgrounds.

Over the next five years, POAH will:

- Launch a new **POAH SharePoint intranet** website to facilitate information access
- **Deploy Microsoft Teams** to support property/project-focused collaboration across departments
- Develop and deliver training and resources on **"The POAH/C Way" in each department**
- **Audit and improve 1 key process in each department** each year

7. Finance

POAH's financial strength, carefully built over 20 years, can be leveraged now to secure new, more flexible capital sources to support expanded impact. At the same time, POAH is positioned to deploy significant retained earnings – for investments in its existing properties, in new real estate opportunities, and in residents' success. As it seizes these opportunities, POAH must continue to take the long view, acting as a prudent long-term steward of the assets for which it is responsible.

Over the next five years, POAH will:

- Raise at least **$60 million in new bond proceeds** to generate flexible, low-cost, long-term capital for POAH's work
- Grow POAH's **Mission Capital Fund to $40 million by 2026** to support mission-related investments
- Dedicate at least $10 million in POAH funds to POAH's Community Impact Fund to support resident success
- Raise at least $7.5 million in third-party funds to support Community Impact initiatives

8. Talent Management

POAH is its people, and the company should continue to ensure that its people are fully supported and fairly rewarded for their commitment. POAH should continue to develop a more diverse and inclusive team by continuing to implement the recommendations of its DEI Working Group; and should increase efforts to ensure every member of the team has opportunities for skill development and professional advancement.

Over the next five years, POAH will:

- Ensure that POAH continues to pay competitive salaries and benefits by using third-party compensation studies and other methods and implementing adjustments accordingly
- Ensure that leave benefits exceed the industry averages based on industry surveys

Tracking and Reporting on Strategic Plan Outcomes

POAH develops annual workplans to track progress on key projects within each department, including projects implementing the strategic plan's specific recommendations. The workplan is updated at least quarterly to reflect year-to-date progress on each project, based on updates from each department head which are aggregated by the Chief of Staff. These quarterly updates are provided to the Board for its review. As an example, the below table reports POAH's work plan related to its recently concluded 2017-2021 Strategic Plan. As of December 31, 2021, 97% of 2017-2021 Strategic Plan goals were met.

<u>Example: 2017-2021 Strategic Plan Results</u>

Impact Area	Goals	2017-2021 Results	% of 5-Year Goal
Accelerated Growth	Affordable, healthy homes for at least 5,000 additional people	5,898 people housed	118%
	10 Additional Mission-Aligned Partners	14 new partners	140%
	Active in 3 New States	3 new states	100%
Property Stewardship	$75 Million in Capital Improvements	Exceeded $75 million	100%
	Grow portfolio performance so every property can support POAH's mission	~$6,700,000[12]	161%
Resident Impact	Expand Community Impact Initiative to every site	100%	100%
	Fund at least $10 million in resident programs	~$9,600,000[13]	97%
	Deliver 10,000 positive impacts for residents	17,971	180%
Conservation and Sustainability	Reduce energy and water use at renovated properties by 20% on average	23.20%	116%
	Every new construction or substantial rehab "green certifiable"	71%	71%

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[12] Numbers derived from management estimates
[13] Ibid

Impact Area	Goals	2017-2021 Results	% of 5-Year Goal
Effective Communications	5,000 social media followers	10,129	203%
	3 million points of contact with followers	5,000,000	167%
Talent Management	Professional development for every employee	8 of 8 recommendations implemented	100%
	Exceed staff satisfaction & engagement benchmarks	8 of 10 Gallup benchmarks exceeding U.S. average	80%
	Promote a diverse and inclusive workplace	3 of 3 recommendations implemented	100%
Data and Performance	Enhance performance in every department	6 of 6 recommendations implemented	100%
Financial Strength	Generate $15 million in corporate net income	Exceeds $15,000,000	100%
	Secure $50 million in corporate credit and capital	Exceeds $50,000,000	107%

GOVERNANCE

Board of Directors

The Board is responsible for the direction and oversight of the organization. In accordance with POAH's by-laws, the Board may consist of between three (3) and eleven (11) directors. Each director is appointed a full term of three years, but may be elected for a shorter term, and can serve a maximum of three, three-year terms[14] (a total of nine years). POAH's Board currently has ten (10) directors, all of whom are independent/unpaid directors, other than receiving reimbursement related to reasonable expenses of board participation and meeting attendance, such as travel.

The members of the Board hail from a variety of business sectors, bringing extensive experience and skills from the areas of real estate, development, finance, banking, accounting, public sector, and law, along with non-profit management. Many of the directors are or have served as senior executives with experience leading their respective businesses and community organizations.

Members of the Board represent a diverse cohort of which 50% of directors are female and 50% of directors are persons of color. For brief biographies of each of the members of the Board, please refer to the section entitled "Exhibit A – Resumes – Board of Directors" herein. The following table provides a list of the members of POAH's Board.

Board of Directors

Name	Terms	Title
Georgia Murray, Board Chair	2007-2023	Former Director, Boston Financial; past President, Multifamily Housing Institute; former trustee of Urban Land Institute
Liz Blume	2021-2029	Director, Community Building Institute at Xavier University
Printice L. Gary	2017-2025	Founding Partner and CEO, Carleton Residential Properties
Doriane Miller, MD	2021-2029	Director, Center for Community Health and Vitality at the University of Chicago School of Medicine
Ana Gelabert-Sanchez	2021-2029	Principal, Gelabert-Sanchez LLC
Ramon Jacobson	2022-2030	Executive Director, Local Initiatives Support Corporation Washington, D.C. Office
Toby Levy	2014-2022	Former Executive Vice President and Chief Financial Officer, Local Initiatives Support Corporation
Jenny Netzer	2021-2029	Former Chief Executive Officer, TCAM
Mark Snyderman	2016-2024	Former Portfolio Manager and High Income Real Estate, Fidelity Management and Research
William Towns	2017-2025	National Market President for Community Revitalization and Public Housing, Gorman & Co.

[14] Prior to 2018, there were no term limits for any member of the Board.

Board Committees

The POAH Board primarily acts through its committees. Each committee consists of two (2) or more directors, holds a written charter, and may include non-board members as "Advisory Members." Committee meetings occur at least two (2) times annually. Each Committee must maintain minutes of meetings and report to the Board on the actions implemented. Committees also self-assess periodically and will review its Charter at least annually. The Chairman of the Board and the President and CEO shall be, ex officio, members of each such committee, provided that, the President and CEO is not an ex officio member of the Audit Committee or the Compensation and Talent Management Committee. Current standing committees include the Asset and Property Management Committee, Audit Committee, Community Impact Committee, Compensation and Talent Management Committee, Finance Committee, Governance and Nominating Committee, Investment and Development Committee, and the Public Policy and Strategic Planning Committee. Each of these committees is detailed in the following paragraphs.

Asset and Property Management Committee

The Asset and Property Management Committee assists the Board with oversight over POAH's asset management department, property management department, and POAH's real estate portfolio. Specifically, the Asset and Property Management Committee's responsibilities are to: (1) review the portfolio's, asset management department's, and management company's overall progress; (2) review and advise on property strategies, especially pertaining to management's "watch list" properties, recapitalization plans, limited partner exit plans, and other financially or physically troubled properties; (3) advise on strategic positioning of the portfolio, including business planning, risk management and mitigation strategies, and changes in unit or rental mix; (4) provide guidance on industry best practices; and (5) oversee and monitor risk management strategies for POAH's asset management and property management departments.

Audit Committee

The Audit Committee assists the Board with oversight over POAH's accounting and financial reporting; internal control processes and related policies and procedures; and audits of its financial statements. Specifically, the Audit Committee's responsibilities are to: (1) recommend appointment, retention, and termination of POAH's independent auditor; (2) oversee POAH's relationship with its independent auditor, including terms of engagement and the resolution of any disagreements; (3) review and consider the quality and integrity of POAH's financial reporting process and internal controls regarding finance, accounting, and legal compliance; (4) review and discuss with the internal auditor any material weaknesses in internal controls identified; (5) review and approve POAH's external audit reports, internal audit reports, and legal and regulatory compliance; (6) monitor and approve compliance with all required tax and informational filings; and (7) review with POAH's counsel any legal matters that could impact POAH's compliance policies or financial statements.

Community Impact Committee

The Community Impact Committee assists the Board with providing oversight and guidance for POAH's Community Impact initiatives, which support resident's efforts to improve their livelihood in areas such as education, employment, housing stability, financial stability, community engagement, and health. Specifically, the Community Impact Committee's responsibilities are to: (1) oversee and monitor POAH's efforts to improve its residents' livelihoods; (2) review and make recommendations regarding the types and levels of corporate resources devoted to Community Impact initiatives; (3) review, provide guidance to staff on, and report to the Board on the progress of efforts to implement strategic plan recommendations; (4) review and approve all grants made by POAH to its affiliates with respect to Community Impact initiatives; and (5) oversee and monitor risk management strategies relating to Community Impact initiatives.

Compensation and Talent Management Committee

The Compensation and Talent Management Committee assists the Board in fulfilling its responsibilities relating to POAH's compensation and talent management policies and practices. Specifically, the Compensation and Talent Management Committee's responsibilities are to: (1) assist the Board with assessment and review of the CEO's performance; (2) make recommendations to the Board with respect to the compensation of the CEO, including approving and reviewing any base salary increases or annual bonuses, if any; (3) review annually and, in consultation with the CEO, approve, if any, base salary increases or annual bonuses; (4) review annually and approve adjustments to POAH's salary ranges and an overall merit pool for POAH's base salary adjustments; (5) periodically reviewing POAH's benefit plans and programs in light of marketplace practices and POAH's economic stability and performance; (6) review, approve, and develop strategies to promote retention of existing employees, attract new talent, and promote a diverse workforce; (7) monitor risk management strategies pertaining to POAH's human resources and talent management functions; and (8) monitor the progress of efforts to implement strategic plan recommendations related to talent management.

Finance Committee

The Finance Committee assists the Board with oversight over POAH's financial strategy and performance. Specifically, the Finance Committee's responsibilities are to: (1) review POAH's quarterly financial statements; (2) review, recommend on approval to the Board on, and monitor POAH's annual budget; (3) review and make recommendations to the board regarding long-range financial planning; (4) review POAH's financial policies, monitor compliance, and recommend revisions, if any; (5) make recommendations to the Board regarding risks related to other committees; (6) oversee and monitor enterprise risk management related to portfolio, acquisitions, development, and financial risks; and (7) monitor the progress of efforts to implement strategic plan recommendations pertaining to finance, as well as provide staff guidance on further implementation and report to the Board on these efforts.

Governance and Nominating Committee

The Governance and Nominating Committee assists the Board with oversight over POAH's formulation and implementation of its governance policies. Specifically, the Governance and Nominating Committee's responsibilities are to: (1) oversee and monitor risk management strategies related to governance; (2) review POAH's existing governance policies, ensure compliance with the policies, and recommend to the Board any revisions to the policies; (3) nominate prospective Directors; (4) administer POAH's Code of Ethics and Conflict of Interest Policy; and (5) review and report on any "Whistleblower Reports" received.

Investment and Development Committee

The Investment and Development Committee assists the Board with oversight over POAH's property investment, acquisition, and development activities. Specifically, the Investment and Development Committee's responsibilities are to: (1) review proposed acquisitions and developments, including the acquisition strategies, financial structures, any redevelopment plans, and overall fit of the acquisition with respect to POAH's mission; (2) review POAH's acquisition and development policies, compliance with those policies, and recommend any revisions to the Board; (3) monitor risk management strategies related to POAH's acquisitions and development activities; and (4) review, provide guidance to staff on, and report to the Board on the progress of efforts to implement strategic plan recommendations pertaining to acquisitions and development activities.

Public Policy and Strategic Planning Committee

The Public Policy and Strategic Planning Committee assists the Board with oversight over POAH's strategic planning and public policy advocacy activities. Specifically, the Public Policy and Strategic Planning Committee's responsibilities are to: (1) oversee the development of POAH's strategic plan; (2) review, provide guidance to staff on, and report to the Board on the progress of efforts to implement strategic plan recommendations; (3) consider and forward to the Board staff proposals for revisions to the strategic plan; (4) originate recommendations for revisions to the strategic plan; (5) receive briefings from staff on public policy issues and developments relevant to POAH's operations; (6) review staff reports on, provide guidance to staff on, and report to the Board on public advocacy activities; and (7) monitor risk management strategies related to POAH's public policy activities.

FINANCIAL MANAGEMENT AND CONTROLS

The POAH Finance & Accounting ("F&A") Team is responsible for the financial oversight and management of the organization. Led by POAH's CFO, the eight-member team is responsible for: the creation and monitoring of the annual operating and capital budget, accounts payable and receivable functions, corporate borrowing & capital planning, the preparation of quarterly and annual financial statements, (including the annual audit and tax returns), and the oversight of risk management and insurance.

The F&A team works closely with the Property Management Accounting Team (comprised of a staff of 26 property-focused accountants), in a coordinated effort to assure effective fiscal management of the properties and the collection of property cash flow, which comprises a significant portion of POAH's annual operating revenue. The F&A Team also works closely with the POAH Development Team in coordinating the funding of development projects and the management and collection of development fees, which is another key contributor to POAH's annual revenue.

F&A is also responsible for securing and managing multiple sources of corporate debt and equity to support POAH's acquisition and development efforts and to provide liquidity for day-to-day operations. POAH has access to multiple lines of credit from banks and other philanthropic lenders and funders. In addition, POAH receives grants to support its work in both community impact and mission-driven development. The team closely monitors the terms and availability of capital and provides regular reporting and confirmation of covenant compliance to its lenders.

The F&A Team manages the annual preparation of consolidated audited financial statements for POAH and its subsidiaries. The consolidated audit includes the roll-up of the property financial statements, which is coordinated by the Property Management Accounting Team. Interim unaudited and unconsolidated financial statements are also prepared on a quarterly basis. The staff also prepares federal and state tax filings for a wide range of POAH entities as well as the non-profit Form 990 for POAH.

Statement of Activities

The table sets forth POAH's Consolidated Statements of Activities for the fiscal years ended December 31, 2016, through 2020, as derived from POAH's audited financial statements for the fiscal years ended December 31, 2016, through 2020 and notes thereto. The financial statements of POAH are prepared on an accrual basis. The figures provided in this Offering Memorandum are inclusive of both donor-restricted and unrestricted support and revenues, expenses, and net assets.

Consolidated Statements of Activities

	2016	2017	2018	2019	2020
	Audited	Audited	Audited	Audited	Audited
Support and Revenue					
Rental Income	$110,069,609	$115,117,740	$125,859,929	$142,183,620	$156,844,937
Grant Income	8,610,270	17,580,713	4,505,377	1,837,679	3,486,649
Developer Fee Revenue	755,053	2,098,874	2,398,316	2,505,946	4,267,811
Property Management and Related Fees	39,793	30,829	893,557	1,549,306	1,336,396
Other Revenues	8,753,037	10,812,621	9,110,668	6,465,113	6,762,005
	$128,227,762	$145,640,777	$142,767,847	$154,541,664	$172,697,798
Net Assets Released From Restrictions	--	--	--	--	--
Total Revenues	$128,227,762	$145,640,777	$142,767,847	$154,541,664	$172,697,798
Expenses					
Personnel	$11,334,525	$12,795,410	$14,365,517	$16,417,943	$17,477,030
Property Operations	66,439,327	72,504,501	78,905,468	87,186,822	93,956,772
Interest Expense	31,382,523	29,613,515	33,712,793	38,031,671	41,508,724
Development Expense	1,517,100	1,246,389	1,346,330	1,933,100	2,979,008
Community Impact	2,742,231	2,900,737	2,590,103	2,468,211	2,122,626
Depreciation and Amortization	20,510,717	21,692,534	23,722,435	27,774,925	31,786,108
Other Expenses	5,716,034	16,937,740	7,244,026	6,765,944	5,792,934
	$139,642,457	$157,690,826	$161,886,672	$180,578,616	$195,623,202
Excess of Expenses Over Revenue	($11,414,695)	($12,050,049)	($19,118,825)	($26,036,952)	($22,925,404)
Excess of Expenses Over Revenue Attributable to Non-Controlling Interests	($16,308,509)	($17,805,470)	($20,227,002)	($20,305,039)	($17,963,895)
Excess of Revenue Over Expenses (Expenses over Revenue) Attributable to the Company	$4,893,814	$5,755,421	$1,108,177	($5,731,913)	($4,961,509)

Support and Revenue

The following table presents a breakdown of sources of support and revenue for the fiscal years ending December 31, 2016, through December 31, 2020, derived from audited financial statements for the fiscal years ended December 31, 2016, through 2020. POAH's total revenue grew from $128.228 million on December 31, 2016 to $172.698 million at December 31, 2020, representing a compound growth rate of 7.73%.

Sources of Support and Revenue

	2016	**2017**	**2018**	**2019**	**2020**
	Audited	Audited	Audited	Audited	Audited
Support and Revenue					
Rental Income	$110,069,609	$115,117,740	$125,859,929	$142,183,620	$156,844,937
Grant Income	4,359,932	4,623,821	1,405,983	1,234,087	3,335,068
Grant Income, Capital Investments	4,250,338	12,956,892	3,099,394	603,592	151,581
Contribution Income	57,150	25,250	6,250	14,055	25,000
Developer Fee Revenue	755,053	2,098,874	2,398,316	2,505,946	4,267,811
State Tax Credit Proceeds	4,209,182	3,576,072	1,012,950	736,000	--
Property Management and Related Fees	39,793	30,829	893,557	1,549,306	1,336,396
Reimbursable Salaries and Expenses	--	--	625,829	953,877	889,267
Gain on Receipt of Mortgage Note	--	494,825	--	--	--
Gain on Sale	--	--	1,539,305	(125,216)	--
Interest Income	510,827	671,139	756,831	1,408,320	902,219
Loss on Investment in Partnership	(50,249)	(212,192)	(112,894)	(131,075)	(93,710)
Investment Income	--	--	--	(9,253)	(1,781)
Other Income[15]	4,026,127	6,257,527	5,282,397	3,618,405	5,041,010
Total Revenues	$128,227,762	$145,640,777	$142,767,847	$154,541,664	$172,697,798

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

Development

Most development fees earned are paid from the project's equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, and concluding with the approval of the cost certification of the respective housing credit agency. POAH estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in ASC Topic 606, Revenue from Contracts with Customers, on constraining estimates of variable consideration, which typically includes the following factors:

[15] Beginning in 2019 the presentation of Investment Income was separated from Other Income in the Statement of Activities. Prior to 2019, Investment Income was included in Other Income.

- The susceptibility of the consideration amount to factors outside the project's influence, including insufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- POAH's experience with similar types of agreements.
- Whether POAH expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on POAH's estimate of the variable consideration using available information at the reporting date. Deferred development fees payable from property surplus cash are recognized at such time as there is available surplus cash.

Management Service Revenue

POAH Communities provides property management services on a contractual basis for owners of and investors in affordable housing properties – with very limited exceptions, for properties owned or controlled by POAH. These services include management, marketing, building engineering, accounting, compliance, and financial services. POAH Communities is compensated for its services through a monthly management fee earned based on either a specified percentage of the monthly rental income, rental receipts generated from the property under management or a fixed fee. POAH Communities is also often reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

State Tax Credit Proceeds

POAH sells State Low Income Housing Tax Credits and State Historic Tax Credits generated from limited partnership properties to unrelated parties. POAH provides loans to fund rehabilitation or construction at the respective properties, which are then assigned to POAH LLC. Income is recognized upon satisfaction of the primary performance obligation which occurs at a point in time upon delivery of the respective state credit certification. State tax credit proceeds income for the years ended December 31, 2020 and 2019 is $0 and $736,000, respectively.

Expenses

The following table presents a breakdown of functional expenses for the fiscal years ending December 31, 2016, through December 31, 2020, derived from audited financial statements for the fiscal years ended December 31, 2016, through 2020.

Consolidated Statements of Functional Expenses

	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited
Expenses					
Personnel	$11,334,525	$12,795,410	$14,365,517	$16,417,943	$17,477,030
Development Expense	1,517,100	1,246,389	1,346,330	1,933,100	2,979,008
Professional Services	1,320,334	1,054,254	1,081,364	1,356,788	1,191,234
Contributions and Grants Made	1,538,882	2,059,344	1,607,261	66,077	123,894
Rental	861,736	925,178	1,058,967	1,109,885	1,270,421
Taxes and Insurance	349,225	364,399	404,021	463,117	441,849
Travel and Lodging	662,373	836,469	893,494	919,619	313,760
Interest	1,254,052	1,090,527	1,463,056	1,503,758	1,856,114
Reimbursable Salaries and Expenses	--	--	625,829	953,877	889,267
Property Operations	66,439,327	72,504,501	78,905,468	87,186,822	93,956,772
Property Mortgage Interest	30,128,471	28,522,988	32,249,737	36,527,913	39,652,610
Impairment Loss	--	10,521,964	--	--	--
Office and Administration	794,622	983,903	1,274,768	1,482,168	1,236,011
Depreciation and Amortization	20,510,717	21,692,534	23,722,435	27,774,925	31,786,108
Community Impact	2,742,231	2,900,737	2,590,103	2,468,211	2,122,626
Bad Debt Expense	14,183	36,904	162,281	304,623	232,676
Miscellaneous	174,679	155,325	136,041	109,790	93,822
Total Expenses	$139,642,457	$157,690,826	$161,886,672	$180,578,616	$195,623,202

Interest Expense

Interest expense is comprised of amortizing hard debt interest and accruing third-party soft debt interest. Interest expense is higher than cash paid for interest due to third-party soft debt accruing a higher level interest than the amount of interest paid as the majority of the soft debt only requires payment from available cash flow, as discussed further in "Real Estate Acquisitions and Development – Financing POAH Acquisitions and Development Projects: Key Capital Sources – Soft Debt (Subordinate / Non-Current-Pay Public Sector Subsidy)" herein. Payment of soft debt interest is often in the respective property's cash flow waterfall after amounts due to POAH. The following table presents a breakdown of interest expense and cash paid for interest for the fiscal years ending December 31, 2016, through December 31, 2020, derived from audited financial statements for the fiscal years ended December 31, 2016, through 2020.

Interest Expense vs. Cash Paid for Interest

	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Audited
Interest Expense	$31,382,523	$29,613,515	$33,712,793	$38,031,671	$41,508,724
Cash Paid for Interest	28,376,313	27,224,301	27,625,575	28,411,783	29,657,334

Statement of Financial Position

The following is a summary of POAH's Consolidated Statements of Financial Position for fiscal years ended December 31, 2016, through December 31, 2020, as derived from POAH's audited financial statements for the fiscal years ended December 31, 2016, through December 31, 2020, and notes thereto.

Consolidated Statements of Financial Position

	2016	2017	2018	2019	2020[16]
	Audited	Audited	Audited	Audited	Audited
ASSETS					
Current Assets					
Cash and Cash Equivalents	$28,849,287	$29,596,060	$34,748,645	$38,724,829	$54,847,515
Restricted Cash	448,651	1,232,761	3,913,764	1,999,611	3,285,278
Reserves	--	--	--	5,516,493	4,946,482
Restricted Reserves	757,016	803,788	1,263,400	1,423,161	1,940,887
Accounts Receivable					
Rental - Tenants and Subsidy	1,471,254	1,745,031	1,049,755	2,223,576	4,089,148
Grants Receivable	1,758,063	219,231	207,548	262,300	1,515,000
Properties, Net of Allowance for Doubtful Accounts	4,060	21,861	813,274	977,440	407,918
Other	859,268	2,203,759	1,598,273	1,732,702	2,607,627
Escrow Deposits	87,018,066	76,169,458	79,651,708	92,590,133	129,343,971
Tenant Security Deposits	3,057,100	3,148,423	3,513,110	3,868,614	4,188,732
Prepaid Expenses	1,557,733	1,640,267	1,564,069	1,717,905	2,857,476
Predevelopment Costs Reimbursable, Current	2,550,840	6,836,255	9,042,051	11,164,652	12,264,142
Total Current Assets	$128,331,338	$123,616,894	$137,365,597	$162,201,416	$222,294,176
Other Assets					
Notes Receivable, Net of Discount	$8,407,000	$8,407,000	$8,256,438	$8,407,000	$28,472,750
Investment in Partnerships	405,778	5,000	1,366,175	1,327,160	1,305,610
Predevelopment Costs Reimbursable, Net of Current	2,710,242	2,808,892	2,708,599	3,593,298	2,615,895
Other Assets	3,742,475	4,282,450	5,743,135	5,943,592	5,514,742
Total Other Assets	$15,265,495	$15,503,342	$18,074,347	$19,271,050	$37,908,997
Fixed Assets					
Land and Buildings	$899,704,356	$929,918,113	$1,026,337,977	$1,142,339,771	$1,246,825,979
Rehabilitation in Progress	13,252,781	23,095,661	23,812,001	60,844,444	46,283,817
Furniture, Equipment, and Leasehold Improvements	14,375,773	15,029,076	16,454,215	19,564,539	22,800,524
Less: Accumulated Depreciation	(145,143,631)	(163,826,938)	(188,378,156)	(216,752,897)	(248,426,915)
Total Fixed Assets	$782,189,279	$804,215,912	$878,226,037	$1,005,995,857	$1,067,483,405
Total Assets	$925,786,112	$943,336,148	$1,033,665,981	$1,187,468,323	$1,327,686,578

[16] 2020 outstanding debt includes $5.4 million PPP Loan, which the SBA has approved for forgiveness as of June 22, 2021. This will be reflected as 'Other Income' in POAH's 2021 financials

	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020[16] Audited
LIABILITIES					
Current Liabilities					
Accounts Payable	$5,503,938	$4,838,688	$6,224,240	$6,387,474	$9,295,536
Accrued Expenses	7,789,157	9,257,174	10,048,282	12,670,101	12,951,067
Accounts Payable - Development	11,954,612	14,475,723	9,026,597	14,945,791	17,169,804
Accrued Interest	1,855,763	1,949,636	1,927,656	2,300,625	2,433,238
Mortgages Payable - Properties, Current	7,706,641	8,001,058	29,860,274	8,682,497	51,911,404
Construction Loans - Properties, Current	17,498,016	18,936,392	10,972,702	48,162,954	38,180,034
Loan Payable, Current	5,038,137	4,611,049	3,566,797	7,804,138	6,245,774
Line of Credit, Current	694,181	1,493,874	1,000,659	2,932,975	2,076,722
Deferred Liabilities, Current	--	6,865	13,294	13,294	32,419
Tenant Security Deposits	2,884,503	3,006,619	3,305,268	3,607,116	3,872,731
Prepaid Revenue	947,697	1,216,201	1,181,585	1,432,141	1,817,863
Due to Affiliates	269,029	1,102,989	321,952	1,170,712	367,678
Total Current Liabilities	$62,141,674	$68,896,268	$77,449,306	$110,109,818	$146,354,270
Long-Term Liabilities					
Loans and Notes Payable, Net of Current	$15,094,706	$14,572,254	$24,945,757	$21,380,712	$37,981,839
Line of Credit, Net of Current	--	400,000	838,678	898,686	751,929
Accrued Interest Payable - Notes Payable	408,280	486,924	642,295	890,157	957,290
Notes Payable and Accrued Interest - Properties	161,739,059	157,278,828	218,304,683	255,699,728	312,383,151
Mortgages Payable - Properties, Net of Current	448,461,636	450,271,267	436,550,334	516,777,375	541,165,837
Interest Rate Swap	1,562,385	1,156,826	845,707	1,020,721	997,934
Other Long-Term Liabilities	3,727,897	3,528,039	--	--	--
Deferred Liabilities, Net of Current	--	39,222	659,060	256,425	421,913
Deferred Income	8,586,894	8,420,381	8,679,541	12,792,770	11,790,184
Total Long-Term Liabilities	$639,580,857	$636,153,741	$691,466,055	$809,716,574	$906,450,077
Total Liabilities	$701,722,531	$705,050,009	$768,915,361	$919,826,392	$1,052,804,347
Net Assets					
Net Assets Without Donor Restrictions Controlling	$29,333,083	$32,280,322	$53,222,916	$50,353,846	$44,465,265
Net Assets Without Donor Restrictions Noncontrolling	193,483,599	200,365,365	205,917,397	211,655,485	222,764,498
Total Net Assets Without Donor Restrictions	$222,816,682	$232,645,687	$259,140,313	$262,009,331	$267,229,763
Net Assets With Donor Restrictions	$1,246,899	$5,640,452	$5,610,307	$5,632,600	$7,652,468
Total Net Assets	$224,063,581	$238,286,139	$264,750,620	$267,641,931	$274,882,231
Total Liabilities and Net Assets	$925,786,112	$943,336,148	$1,033,665,981	$1,187,468,323	$1,327,686,578

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of all resources of POAH and affiliates that have not been specifically restricted by a donor.

Net Assets With Donor Restrictions

Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Balance Sheet Growth

POAH has continually grown its portfolio of properties, as reflected in fixed assets as shown below. From December 31, 2016, to December 31, 2020, fixed assets grew at a compound annual growth rate of 8.08%. In addition to growth in property and equipment, POAH has achieved a steady growth in net assets since 2016. As of December 31, 2020, POAH's total assets were $1.328 billion, net assets without donor restrictions were $267.230 million, and total net assets were $274.882 million. From December 31, 2016, to December 31, 2020, net assets averaged 23.66% of total assets. Over the same time period, the total assets grew at a compound annual growth rate of 9.43%, while net assets without donor restrictions grew at 4.65%, and total net assets grew at 5.24%, demonstrating disciplined growth.

Balance Sheet Growth

	2016 Audited	**2017** Audited	**2018** Audited	**2019** Audited	**2020** Audited
Fixed Assets ($)	782,189,279	804,215,912	878,226,037	1,005,995,857	1,067,483,405
Total Assets ($)	925,786,112	943,336,148	1,033,665,981	1,187,468,323	1,327,686,578
Net Assets Without Donor Restrictions ($)	222,816,682	232,645,687	259,140,313	262,009,331	267,229,763
Net Assets ($)	224,063,581	238,286,139	264,750,620	267,641,931	274,882,231
Net Assets / Total Assets	24.2%	25.3%	25.6%	22.5%	20.7%

Leverage Metrics

The table below provides POAH's debt metrics for fiscal years ending December 31, 2016, through December 31, 2021. In FY 2020, Debt-to-EBITDA drops from 20.1x to 13.6x when excluding third-party soft debt and construction debt.

Leverage Metrics[17]

	2016	2017	2018	2019	2020[18]	2021
	Audited	Audited	Audited	Audited	Audited	Unaudited
Hard Debt						
Total Property-Level Hard Debt	$458,008,842	$460,186,108	$468,308,872	$527,693,567	$595,279,607	$603,502,696
Total Property-Level Construction Debt	17,498,016	18,936,392	10,972,702	48,162,954	38,180,034	$149,131,491
Total Corporate-Level Hard Debt	16,035,222	16,306,030	24,694,759	27,396,917	41,992,035	45,244,042
Total Hard Debt	$491,542,080	$495,428,530	$503,976,333	$603,253,438	$675,451,676	$797,878,229
Notes Payable						
Total Hard Debt	$491,542,080	$495,428,530	$503,976,333	$603,253,438	$675,451,676	$797,878,229
Total Property-Level Third-Party Soft Debt	161,739,059	157,278,828	218,304,683	255,699,728	312,383,151	303,711,343
Total Corporate-Level Third-Party Soft Debt	5,215,280	5,293,924	6,328,819	6,576,681	6,252,391	6,464,028
Total Debt	$658,496,419	$658,001,282	$728,609,835	$865,529,847	$994,087,218	$1,108,053,600
Cash Paid for Interest	$28,376,313	$27,224,301	$27,625,575	$28,411,783	$29,657,334	$36,266,962
Earnings						
Total Revenues	$128,227,762	$145,640,777	$142,767,847	$154,541,664	$172,697,798	
Total Expenses	139,642,457	157,690,826	161,886,672	180,578,616	195,623,202	
Change in Net Assets	($11,414,695)	($12,050,049)	($19,118,825)	($26,036,952)	($22,925,404)	
Less: Interest Income	(510,827)	(671,139)	(756,831)	(1,408,320)	(902,219)	
Plus: Loss (Gain) on Sale	--	--	(1,539,305)	125,216	--	
Plus: Loss of Investment in Partnership	50,249	212,192	112,894	131,075	93,710	
Less: Impairment Loss	--	(10,521,964)	--	--	--	
Adjusted Operating Income	($11,875,273)	($23,030,960)	($21,302,067)	($27,188,981)	($23,733,913)	
Plus: Interest Expense	31,382,523	29,613,515	33,712,793	38,031,671	41,508,724	
Plus: Depreciation and Amortization	20,510,717	21,692,534	23,722,435	27,774,925	31,786,108	
EBITDA	$40,017,967	$28,275,089	$36,133,161	$38,617,615	$49,560,919	
Hard Debt-to-EBITDA (x)	**12.3**	**17.5**	**13.9**	**15.6**	**13.6**	
Aggregate Total Debt-to-EBITDA (x)	**16.5**	**23.3**	**20.2**	**22.4**	**20.1**	
EBITDA as a % of Revenues	**31.2%**	**19.4%**	**25.3%**	**25.0%**	**28.7%**	
EBITDA / Cash Paid for Interest	**1.4**	**1.0**	**1.3**	**1.4**	**1.7**	

[17] "Audited" refers to audited financial numbers as well as numbers calculated from POAH's audited financial statements
[18] 2020 outstanding debt includes $5.4 million PPP Loan, which the SBA has approved for forgiveness as of June 22, 2021. This will be reflected as 'Other Income' in POAH's 2021 financials

Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Cash and Cash Equivalents

	2016	2017	2018	2019	2020
	Audited	Audited	Audited	Audited	Audited
Cash and Cash Equivalents	$28,849,287	$29,596,060	$34,748,645	$38,724,829	$54,847,515

Restricted Cash and Reserves

The amount included in restricted cash consists of security deposits and family self-sufficiency escrows held in trust for the future benefit of tenants, grant funds received but not yet expended, and POAH's reserves for operations and capital investments. The following table provides a breakdown of POAH's restricted cash and reserves.

Restricted Cash and Reserves[19]

	2016	2017	2018	2019	2020	2021
	Audited	Audited	Audited	Audited	Audited	Unaudited
Corporate-Level Restricted cash	$448,651	$1,232,761	$3,913,764	$ 1,999,611	$ 3,285,278	$ 10,820,832
Corporate-Level Working Capital Reserves	--	--	--	5,516,493	4,946,482	4,750,286
Corporate-Level Restricted Reserves	757,016	803,788	1,263,400	773,259	1,167,964	3,708,957
Property-Level Restricted Reserves	29,737	123,950	368,953	649,902	772,923	835,558
Property-Level Replacement Reserves	18,136,422	17,734,111	21,488,002	28,537,842	32,042,143	28,246,968
Property-Level Operating Reserves	23,388,004	25,376,722	28,716,943	28,880,928	30,875,774	30,427,999
Property-Level Construction and Debt Service Reserves	26,647,666	10,680,309	6,318,027	6,814,918	35,503,640	72,533,053
Property-Level Impounds and Other Reserves	18,816,237	22,254,366	22,759,783	28,356,445	30,922,413	30,593,380
Total Restricted Cash and Reserves	$ 87,775,082	$76,973,246	$ 80,915,108	$ 101,529,398	$ 139,516,618	$181,917,033
Tenant security deposits	$ 3,057,100	$ 3,148,423	$ 3,513,110	$ 3,868,614	$ 4,188,732	$ 4,330,018

[19] "Audited" refers to audited financial numbers as well as numbers calculated from POAH's audited financial statements

As of December 31, 2021, POAH's properties had an aggregate property-level replacement reserve balance of $28.2 million. POAH carefully manages these property-level reserve balances, evaluating each property's resources against its annually updated capital plan to ensure there are sufficient resources to address all needs until the property can be recapitalized (with debt and/or LIHTC). Replacement Reserve deposits are sized to a minimum amount of $350/unit per year and in 2021 POAH's deposits to Replacement Reserves averaged $443/unit per year. POAH also structures property level Operating Reserves which had a balance of $30.4 million as of December 31, 2021. Property level Operating Reserves are sized at 6 months of operating expenses. Beyond these property-level resources, POAH's annual budgets typically allocate a share of net operating cash flow to fund an enterprise-level reserve that can be used in the following year to address urgent capital needs which may exceed a property's local resources. Working Capital Reserves must be funded at least three months of expenses and as of December 31, 2021, POAH's Working Capital Reserves had a balance of $4.75 million.

Liquidity

The following is a breakdown of POAH's Liquidity Position for fiscal years ended December 31, 2016, through December 31, 2020:

Liquidity Position[20]

	2016[21]	2017[21]	2018	2019	2020
	Audited	Audited	Audited	Audited	Audited
Cash, cash equivalents, and restricted cash	$29,297,938	$30,828,821	$38,662,409	$38,724,829	$58,132,793
Grants and pledges receivable	1,758,063	219,231	207,548	262,300	1,515,000
Accounts receivable	2,334,582	3,970,651	3,461,302	4,933,718	7,939,269
Undrawn lines of credit	7,378,934	6,413,157	4,861,030	5,998,256	10,655,317
Total financial assets	40,769,517	41,431,860	47,192,289	49,919,103	78,242,379
Less amounts not available to be used within one year Restricted by donor with time or purpose restrictions	(1,979,601)	(1,451,992)	(4,121,312)	(1,979,601)	(4,800,278)
Financial assets available to meet general expenditures over the next twelve months	$38,789,916	$39,979,868	$43,070,977	$47,939,502	$73,442,101
Cash Paid for Interest	**$28,376,313**	**$27,224,301**	**$27,625,575**	**$28,411,783**	**$29,657,334**
Liquidity / Cash Paid for Interest (x)	**1.4**	**1.5**	**1.6**	**1.7**	**2.5**
EBITDA / Cash Paid for Interest (x)	**1.4**	**1.0**	**1.3**	**1.4**	**1.7**

[20] "Audited" refers to audited financial numbers as well as numbers calculated from POAH's audited financial statements

[21] Prior to 2018, this presentation was not required by accounting principles generally accepted in the United States and was not included in the audited financial statements for 2017 or 2016

POAH or its subsidiary POAH LLC maintain credit facilities with six lenders, including three unsecured credit facilities with Calvert Impact Capital ("Calvert"), Benefit Chicago/MacArthur, and the Greater Cincinnati Foundation, and three credit facilities secured by property notes: Local Initiative Support Corporation ("LISC"), Boston Private Bank & Trust Company (with co-lender, Eastern Bank) and the Life Initiative. POAH LLC has a $7 million revolving demand line of credit note with Boston Private Bank & Trust Company, of which approximately $4.7 million is outstanding on the line of credit as of December 31, 2021. POAH LLC also maintains a $7.8 million line of credit loan with LISC, of which approximately $1.2 million is outstanding as of December 31, 2021. POAH and POAH LLC also have a $14.8 million loan from Calvert, which are fully drawn as of as of December 31, 2021. POAH's line of credit from Benefit Chicago is for $6.0 million and was fully drawn as of December 31, 2021. POAH LLC's credit line with the Life Initiative is for up to $2.0 million and was fully drawn as of December 31, 2021; and POAH's credit line with the Greater Cincinnati Foundation is for $1.0 million, and was fully drawn as of December 31, 2021.

Insurance

POAH maintains insurance covering all its properties, development projects, and operations subject to varying deductibles and limitations. This insurance includes property, commercial general liability, business automobile liability, crime, errors and omissions, directors' and officers' liability, fiduciary liability, employment practices liability, workers compensation, builder's risk, and cyber coverage. In addition, POAH maintains umbrella/excess liability coverage, which sits over its liability policies. See "Risk Management Standards and Policies" herein for further information.

POAH secures its property and casualty insurance through Housing Partnership Insurance Exchange ("HPIEx"), a property and casualty reinsurance company that was created, owned, and operated by 23 nonprofit housing developers and owners. HPIEx insures more than 85,000 units with a total value of over $11 billion. The program, which was started in 2004, offers members superior coverage, customized loss control services and stable premiums. POAH utilizes the services of a risk management consulting firm that provides additional expertise on securing and managing all of its insurance policies and coverage.

Litigation

POAH is not aware of any pending or threatened litigation that would affect the ability of POAH to enter into any agreement in connection with the issuance of the Bonds or that would have a material impact on the financial condition or operations of POAH or its ability to repay the Bonds.

RISK MANAGEMENT STANDARDS AND POLICIES

The section below summarizes POAH's risk management standards, policies, and tolerances related to a variety of risk types, including market risks, credit risks, liquidity risks, operational risks, property and liability risks, cybersecurity risks, succession risks, regulatory and compliance risks, reputational risks, property capital needs, and climate change risks.

Market Risks

Initial project underwriting for new projects being considered is summarized in a standard Investment Summary memo, which addresses the risks in the transaction, mitigation approaches, and downside scenarios. POAH has defined standard underwriting assumptions and other project thresholds designed to ensure the projects approved for investment will be financially viable and that their risks are within acceptable bounds.

POAH's portfolio of properties is substantially insulated from market risk by virtue of rents which are largely restricted substantially below market, including a significant share with project-based rental assistance. Within that context, POAH Communities and its Asset Management department closely manage the financial performance of owned properties using defined systems and processes, with support from robust information systems (Yardi and Integratec). Throughout the year the POAH team tracks property performance against budgets, capital spending, and other key indicators, and with monthly and quarterly delivery of standardized reporting to management.

Credit Risks

Property level debt is monitored and managed by the accounting and compliance staff of POAH Communities. In addition, POAH's Asset Management team produces a monthly Collections Analysis Report on the receipt of rents from both tenants and agencies. This report has been particularly useful during the time of COVID-19 to monitor potential rent loss. Bad debt is monitored on a regular basis and is summarized as part of the quarterly financial package produced by POAH Communities.

Corporate debt is monitored and managed by POAH's Finance and Accounting team, which carefully manages overall leverage as well as approaching maturities. Debt exposure is constrained by existing lender covenants. The CEO's written approval is required for new corporate borrowing of $3 million or less; new borrowing over the $3 million threshold requires the approval of the CEO and the board of directors.

Liquidity Risks

POAH maintains working capital reserves of at least three months of total operating expenses. These minimum balances comply with both lender requirements as well as internal targets. In response to the COVID-19 pandemic, POAH substantially increased its cash on hand to provide increased resiliency for anticipated cost increases or revenue shortfalls. In addition, two of POAH's lines of credit, totaling $21.75 million, allow for general operating uses if necessary.

Operational Risks

The annual operating plan for POAH is essentially summarized in the Operating Budget and the annual Work Plan that sets departmental objectives for the year based on the Strategic Plan. Both the Budget and the Work Plan are reviewed on a quarterly basis to measure progress against plan, and the operating budget is reforecast mid-year after second quarter results are determined.

We have established an operating margin target of at least 15% and build a balanced budget based on that objective. Internal operating benchmarks as well as lender covenant compliance is monitored on a quarterly basis and summarized in the Financial & Operating Metrics dashboard.

Approximately two-thirds of POAH's annual revenue is derived from distributions of surplus cash from its portfolio of residential properties, based on the properties' performance in the prior year. Since the properties' prior-year performance is a known quantity at the time of budget development, this substantial support from property cash flow is a significant factor in POAH's ability to reliably predict current-year revenues.

The remainder of POAH's annual revenue is derived primarily from developer's fees. During the budget process, POAH management determines appropriate discounting of fees based on the likelihood of individual projects achieving targeted milestones. POAH uses the Developer Fee Schedule to monitor developer fees over the course of the year and adjust fee expectations accordingly. In addition, POAH has a monthly developer roundtable meeting for which a Developer Roundtable Report is generated. The report monitors progress for projects and identifies variances for both timing and costs. For construction risk, a separate Smartsheet Dashboard monitors construction progress timing and spending (overall and contingency).

The operational budget is designed to generate net operating cash flow which is budgeted for reinvestment in POAH's long-term priorities through a separate Capital Budget. Through this mechanism POAH allocates net operating cash flow for future investment in property capital needs (in excess of property level reserves), real estate investments, and enhanced Community Impact programs.

Property and Liability Risks

POAH maintains basic and umbrella property and liability insurance coverage for its entire owned portfolio. Coverages include up to $200 million for property claims and up to $50 million for liability claims. The insurance program is managed by a full-time risk manager (on the POAH Communities staff) and is supported by an external risk management consultant. The program also includes builders risk coverage for development properties, as well as Directors and Officers ("D&O") liability insurance, Errors and Omissions ("E&O") insurance, and Fiduciary and other corporate level coverage – including Workers Compensation and Cybersecurity.

Cybersecurity Risks

POAH's Information Technology team is responsible for managing the security of POAH's internal and external systems, with support from external data security experts. This team oversees compliance with POAH's Information Security and Privacy policies, provides ongoing training to support staff efforts to reduce vulnerabilities, and responds as needed to security incidents. In addition, POAH carries robust Cybersecurity insurance coverage as a backstop against losses from cybersecurity incidents.

Succession Risks

Since its founding, POAH has maintained robust middle- and upper-management teams whose commitment and leadership are intentionally cultivated and who are continuously engaged with the company's strategic direction beyond their own operational spheres.

The company is led by its CEO and a core team of four MDs who between them average 9 years with POAH and more than 35 years of experience in the industry. This core team is supported by a cohort of six SVPs with an average of 15 years at the company and 21 years in the field. The balance of the leadership team is comprised of 14 VPs who average over 8 years with POAH and an average of 22 years in the field.

In the aggregate, this 27-person leadership team brings extensive industry experience and represents a deep pool of talent who are continually developing expertise and leadership roles to ensure continuity in the event of turnover in the senior management team. The 11-person senior staff (CEO, MDs, and SVPs) meets at least bimonthly for coordination and information sharing, and the overall leadership team meets at least quarterly for the same purpose. The entire leadership team also participates in quarterly Board meetings, which provide broad exposure to the company's activities and a chance to participate in strategic discussions.

This leadership team serves as a primary conduit for replacement hires when vacancies on the senior team arise, within the framework of rigorous recruitment and interviewing practices designed by POAH's DEI Working Group to cultivate the diversity of the leadership team.

Regulatory / Compliance Risks

POAH is well-equipped to operate in a highly regulated space, and public policy engagement is a core element of POAH's business model. Beginning with the acquisition and development teams, POAH engages with regulatory and compliance issues at every stage of the project lifecycle, and the team brings deep experience and knowledge of every federal and state program for affordable rental housing. A subset of staff with dedicated responsibility for public policy issues provide additional support.

Regulatory compliance is a primary focus for the POAH Communities and Asset Management teams. Property staff have immediate responsibility for program compliance, with robust support from dedicated Compliance and Accounting teams. Training in compliance best practices is a focus on ongoing training and certification efforts.

POAH's Asset Management department monitors LIHTC requirements and handles the interaction with equity limited partners. In addition, POAH has an in-house staff of three attorneys who manage outside law firms and oversees the internal review of contracts and other key legal documents.

Reputational Risk

POAH's staff understands and embraces its charitable mission. POAH's owned properties are clearly identified and maintain a high standard of quality. POAH communities are active participants in the municipalities in which they are located, and it is important to POAH that it maintains a favorable reputation and is known for providing safe and supportive housing for its residents. With a three-person Communications staff as well as crisis-management support on retainer, POAH has ample resources to craft a positive message about POAH's work and to respond to reputational risks that may arise.

Property Capital Needs

POAH takes very seriously its role as the long-term steward of its affordable housing communities, and its approach to ongoing capital investment reflects that commitment.

This strategy begins well before POAH acquires (or places in service) any property, with acquisitions and development protocols governing rehab / construction scoping and materials selection, underwriting for long-term financial and physical stability (including replacement reserve sizing), and other relevant protocols.

In stable operations, POAH is committing to ensuring that every POAH property is one the team can be proud of, which is achieved through intense efforts by the Property Operations team and the Maintenance team under the supervision and support of the POAH Communities management team. Every property has its own long-term capital plan which is updated annually by the team (including site staff, POAH Communities management staff, and POAH Asset Management staff) in a collaborative process that generates each property's annual capital budgets (including capital spending and reserve deposits or draws).

As of December 31, 2021, POAH's properties had an aggregate replacement reserve balance of $29.2 million, including with $5.4 million in replacement reserve deposits ($443/unit) made in 2021. POAH carefully manages these property-level reserve balances, evaluating each property's resources against its annually updated capital plan to ensure there are sufficient resources to address all needs until the property can be recapitalized (with debt and/or LIHTC). As of December 31, 2021, POAH's properties also had $30.6 million in total operating reserves to address any future operating budget shortfalls, as well as $15.3 million in other reserves. Beyond these property-level resources, POAH's annual budgets typically allocate a share of net operating cash flow to fund an enterprise-level reserve that can be used in the following year to address urgent capital needs which may exceed a property's local resources. For further detail on POAH's restricted cash and reserves, please see "FINANCIAL MANAGEMENT AND CONTROLS – Cash, Cash Equivalents, and Investments – Restricted Cash and Reserves."

On the basis of this careful stewardship and ongoing capital investment, every property is expected to be "inspection ready" at any time, and indeed every property is subject to regular physical inspections by one or more funders and regulators – typically at least by the state LIHTC agency, the investor, the lender, and the Section 8 Contract Administrator, as applicable. In addition, the POAH Communities Property Operations team and the Maintenance team conducts 100% unit inspections of every property in the portfolio, at minimum once per year, ensuring the team has consistent visibility on emerging capital issues throughout the portfolio and can address in-unit needs promptly.

Climate Change Risk / Resiliency

POAH's commitment to long-term stewardship of its properties also requires strategies to identify, mitigate and manage environmental risks imposed by climate change. POAH's in-house Design and Building Performance department has implemented several strategies to promote resiliency for POAH's properties.

One key element of the resiliency strategy is POAH's Basis of Design ("BOD"), a product selection resource that guides design teams and staff to install building components that meet established building product and/or performance standards. The BOD is used for new developments and those being renovated as well as when making capital repairs to the owned-portfolio. The BOD includes a Generator and Resiliency Strategy section, which recommends among other things, that some back-up power be in place and a resident and staff "area of refuge" be established.

Because creating a resilient portfolio requires awareness of each property's vulnerabilities and capabilities, POAH has aggregated data on power outage vulnerabilities (weather and utility events that cause outages) and capabilities (back-up power) for the properties it owns, including frequency and causes of outages, and whether or not a generator is in place and what it powers. This data was used to risk-rate each property's vulnerabilities and is now used to prioritize new investments in power generation and other resiliency approaches. Resiliency is also a key factor in all new POAH acquisition and development projects, which incorporate the BOD recommendations (including resiliency measures). POAH is also exploring solar storage systems as another resiliency strategy at a handful of pipeline projects.

POAH is deeply focused on creating comfortable, healthy, sustainable, and energy efficient buildings for its residents and staff. From 2013-2020, POAH achieved a 20% energy use intensity (kBtu/sq ft) reduction across its portfolio and became the Department of Energy Better Buildings Challenge Goal Achiever in the process, 3 years ahead of its goal term. To achieve these reductions, POAH developed a BOD to ensure proper methods, equipment, and materials make their way into each and every rehabilitation and new construction project. In addition, POAH has a strategic goal to achieve Passive House US ("PHIUS") certification on all new construction projects moving forward and a minimum of 20% energy reduction on all rehabilitation projects leveraging enhanced commissioning and energy modeling to facilitate achievement of those goals. Outside of PHIUS, POAH has achieved LEED and Enterprise Green Communities certification on prior new construction and major renovation projects. Renewable technology has been installed on (24) POAH sites with more being designed/implemented currently and includes both solar photovoltaic and solar hot water systems. Additionally, POAH leverages community solar farms to achieve reduced energy costs while supporting renewable energy generation in many states it operates in, including Illinois, Massachusetts, Maryland, and Rhode Island. Outside of rehabilitation and new construction work, POAH does a great deal of analysis and review to identify and address high energy and water users within the portfolio by making cost effective upgrades supported by utility energy efficiency programs and local/federal grants as applicable. Since 2010, this totals (263) discreet energy, water, operations and maintenance, or renewable related projects of which (139) were fully funded by utility or grant partners. These discrete water and energy projects dating back to 2010 cumulatively total more than 10 million pounds of CO_2 avoided and over 100 million gallons of water saved each year, combining to save more than \$2.5 million annually on utility expenses.

EXHIBIT A - RESUMES

Board of Directors

Georgia Murray

Board Chair

Board Chair Georgia Murray is widely experienced in property ownership and management, having served as director at Boston Financial, a real estate investment company and in senior positions in Property Management, Asset Management and Investment and Acquisitions.

She has served as the president of the Multifamily Housing Institute, a trustee of the Urban Land Institute, and a director of the National Multifamily Housing Council. She was a member of the executive committee of the Commonwealth Housing Task Force.

In addition to her housing experience, Ms. Murray was chair of the board of the Rose Kennedy Greenway Conservancy, the non-profit created to build a vibrant civic space in Boston on the land atop the “Big Dig” tunnel, and guided it through its strategic planning process to create public art space in the City.

Ms. Murray was on the board of Capital Crossing bank and its predecessor company since 1988, participating in the strategy which took the bank public in 1995, and its sale to Lehman Brothers in 2007. She became a founding board member of First Commons Bank, a de novo community bank located in Newton, Massachusetts in 2009 and served until 2013. She also serves on the board of Franklin Street Properties, a publicly traded REIT with a national portfolio.

Liz Blume

Board Member

Liz Blume is the Director of the Community Building Institute at Xavier University. She has built her career blending community organizing principles with community planning processes. She is a planning professional with more than 30 years of experience in the field. Ms. Blume had previously led multiple city, county, and neighborhood planning processes, always with the voice of the community at the heart, and with an asset-based lens. She has led research efforts on important issues facing many metropolitan areas today including affordable housing, urban education, land use, community and economic development, equity, and community engagement.

Ms. Blume has also been the Co-Director of a Master’s program in Urban Sustainability and Resilience at Xavier University. This interdisciplinary program incorporated principles from public policy, planning, and business to help students prepare for careers in environmental sustainability and resilience. Her work in this program was a natural outgrowth of her years of experience in urban settings in southwest Ohio. She has also served as the Planning Director in Cincinnati and Dayton, Ohio, and worked as a planning consultant throughout the Midwest.

Ms. Blume holds a BA in Political Science and Urban Studies from Ball State University and a Masters in Metropolitan and Community Planning from the College of Design, Art, Architecture and Planning at the University of Cincinnati.

Printice L. Gary

Board Member

Printice L. Gary is the founding partner and CEO of Carleton Residential Properties, a real estate company engaged in investing, developing, general contracting, and asset management throughout the Southwest. Since 1991, Carleton Residential Properties has completed more than 20,000 units with Carleton Residential Properties partners, co-investors, and principals, as well as for third party accounts. Under Mr. Gary's leadership, Carleton Residential Properties has grown to over $100 million in annual revenues and has distinguished itself as a quality market rate housing developer as well as a major producer of affordable housing.

Mr. Gary's other business experience includes investment banking at Piper Jaffray & Hopwood; mortgage banking and homebuilding at Centex Corporation where he was a Division President producing more than 14,000 units of single family housing during his eight-year tour; and multi-family development as a Partner with Trammell Crow Residential.

Mr. Gary has served on city and state housing task forces, boards, and commissions and was a board member of the Dallas Real Estate Council. He currently serves as a board member of the National Equity Fund, Inc., a major tax credit syndication and asset management company based in Chicago.

Mr. Gary is a graduate of Carleton College with an BA in Economics and served as a Trustee of Carleton College. He also holds an MBA from Harvard Business School.

Ana Gelabert-Sanchez

Board Member

Ana Gelabert-Sanchez is Principal of Gelabert-Sanchez LLC, a Planning and Design consulting firm that serves clients in the public and private sectors. She has over 25 years of experience in the planning field.

Ms. Gelabert-Sanchez's previous planning experience included serving as planning director for the City of Miami from 1998 to 2010. In that position, she led the Miami 21 initiative, which was a form-based zoning code that takes a holistic approach to land use and urban planning to make Miami a more sustainable, pedestrian-friendly and better-planned city. As a result of this work, Miami was the first major United States city to adopt a form-based zoning citywide code. Miami 21 won numerous awards, including the American Planning Association National Planning Excellence Award for Best Practice in 2011.

Ms. Gelabert-Sanchez was named Top Public Official of the year for 2010 by Governing magazine and received the CNU Groves Award on Leadership and Vision in 2011. In 2010, she was awarded a Loeb Fellowship at Harvard University. She is also a member of the American Institute of Certified Planners and site visitor pool of the Planning Accreditation Board. Ms. Gelabert-Sanchez holds an BS in Architecture from the Rhode Island School of Design and a Masters in Landscape Architecture from the Harvard Graduate School of Design. She has also worked as an Urban Planning and Design Critic at the Harvard Graduate School of Design.

Ramon Jacobson

Board Member

Ramon Jacobson is Executive Director of the Local Initiatives Support Corporation Washington, D.C. office where he manages LISC's portfolio in the District of Columbia, and oversees all aspects of community development lending, including underwriting, structuring, loan closing, inspections, disbursements, and repayment. Washington, D.C. LISC has been among the top investment sites of the 31 local programs across the nation.

Mr. Jacobson has managed more than $250 million in CDFI investments – loans, grants, and tax credit equity – in every neighborhood in the District of Columbia. These investments in affordable homeownership, rental housing, commercial and retail properties, as well as community facilities helped to transform desperately poor neighborhoods, while preserving economic diversity in other neighborhoods undergoing broad gentrification.

Mr. Jacobson began his career working in the New York City shelter system of the 1980s, developing programs to get single adults off the streets. He helped consultants do the groundwork for the Corporation for Supportive Housing ("CSH") and worked with CSH in the Twin Cities. He holds a BA from Harvard University and an MBA from the Yale School of Management.

Toby Levy

Board Member

Toby Levy was Executive Vice President and Chief Financial Officer for the Local Initiative Support Corporation, a national organization that provides local community development organizations with technical and management assistance and with loans, grants and equity investments and policy support. At LISC, he was responsible for the finance, treasury, budget, compliance, accounting, and information technology functions.

Prior to his work at LISC he was Managing Director and Chief Financial Officer for Hedge Fund Strategies at Goldman Sachs & Co., where he oversaw treasury, risk, controller, fund administration, legal and compliance and was Chairman and CEO of Goldman Sachs Bank USA.

From 2008-2010, Mr. Levy was a mathematics teacher at Trenton High School in Trenton, New Jersey. He serves on the Princeton Housing Authority as the Mayor's appointee and Trustee and is the head of the Investment Committee for the Princeton Public Library.

He holds an MBA from Wharton Graduate School at the University of Pennsylvania and a BS from the University of Pennsylvania.

Doriane Miller

Board Member

Doriane Miller, MD serves as the Director of the Center for Community Health and Vitality at UChicago Med and is a professor of medicine at the University of Chicago Pritzker School of Medicine. As a general internist and professor of medicine, she has provided care to under-served minority populations for more than 30 years. In addition to her role as a primary care physician, she has a special interest in behavioral health. Under Dr. Miller's leadership, physicians, educators, and community members work to improve population health outcomes for residents on the South Side of Chicago through community-engaged research, demonstration, and service models.

In addition to her role as a primary care physician, Dr. Miller has a special interest in behavioral health and has focused her research on the intersection of health disparities and race. Previously, she served as the project director for several studies designed to augment care by promoting collaboration among physicians, patients, and families. Prior to joining the University of Chicago in January 2009, Dr. Miller served as national program director of New Health Partnerships, a demonstration project funded by The Robert Wood Johnson Foundation and the California Health Care Foundation on collaborative self-management support.

Dr. Miller was awarded a Special Recognition Award in 2006 by the American Academy of Asthma, Allergy, and Immunology for her work in the area of improving asthma outcomes through school and community interventions.

Dr. Miller received her MD from the University of Chicago Pritzker School of Medicine and completed her residency at San Francisco General Hospital.

Jenny Netzer

Board Member

Jenny Netzer was the Chief Executive Officer of TCAM, an asset management and consulting firm serving a broad range of clients in the housing and tax credit industries. She has over 30 years of experience in the affordable housing industry, working with developer and investor organizations and public agencies across the country.

Prior to joining TCAM, Ms. Netzer spent 21 years in the affordable housing and the renewable energy industries with MMA Financial and its predecessor organizations, Lend Lease Housing and Community Investing and Boston Financial. At MMA Financial, she led the company's affordable housing tax credit business, including capital-raising, investment, and asset management. Prior to joining Boston Financial in 1987, she served as Deputy Budget Director for the Commonwealth of Massachusetts. She also worked at Yale University as Assistant Comptroller, and at the Massachusetts Department of Public Welfare as a budget analyst and Assistant Deputy Commissioner.

Ms. Netzer serves on a number of advisory boards and on the board of Hew Hope Community Capital, a CDFI. In prior years, she has served as President of the Affordable Housing Tax Credit Coalition, and an officer of the Urban Land Institute's Affordable and Workforce Housing Council. She is a frequent speaker at industry conferences.

Ms. Netzer holds a Master's in Public Policy from Harvard's Kennedy School of Government and an AB from Harvard College.

Mark Snyderman

Board Member

Mark Snyderman was a portfolio manager and the Head of High Income Real Estate Group at Fidelity Management and Research Company, which is investment advisor for Fidelity's family of mutual funds. Mr. Snyderman retired from Fidelity in June 2021. He had been managing the "Fidelity Real Estate Income Fund", which invests in real estate oriented stocks, bonds, and mortgage-backed securities.

Mr. Snyderman has also managed numerous institutional accounts focused on real estate stock and bond investing. He was a founder of Commercial Mortgage Corp. and served as a director of Aldrich, Eastman & Waltch from 1988 to 1994. He has been in the investments industry since 1988. Mr. Snyderman has also published articles on commercial mortgage risk and mortgage investing.

Mr. Snyderman holds an AB from Dartmouth College and an MBA from the Stanford Graduate School of Business. He is also a Chartered Financial Analyst charterholder.

William Towns

Board Member

William Towns is the National Market President for Community Revitalization and Public Housing for Gorman & Co., leading the firm's partnership building efforts with local public housing authorities to advance comprehensive revitalization and redevelopment strategies. Dr. Towns also holds academic appointments at the J.L. Kellogg School of Management at Northwestern University and the Harris School of Public Policy at the University of Chicago.

Over the course of his career, Dr. Towns has managed more than $800 million in capital that is directed at reversing economic disparities and racial discrimination across the Chicago region. He has developed multiple corporate strategic plans, directing resources to local organizations to help solve complex civic issues. Most recently, he was managing director of 4S Bay Partners, LLC's Chi-Town Impact a private equity fund that invests in women and minority operating businesses.

Prior to this position, Dr. Towns was executive director of Benefit Chicago, an investment fund created through a collaboration by The Chicago Community Trust, the John D. and Catherine T. MacArthur Foundation, and Calvert Foundation.

Previous to that, Dr. Towns was Assistant Vice President, Neighborhood Initiatives in the Office of Civic Engagement, University of Chicago and Regional Vice President of Mercy Portfolio Services, a subsidiary of Mercy Housing Inc. whose goal is to assist municipalities in addressing the economic and housing crises through foreclosure purchase, green redevelopment, asset management, land banking, and education. Dr. Towns also held diverse positions with Pathway Senior Living L.L.C, in Des Plaines, Illinois.

Dr. Towns received his Bachelor's in marketing from Loyola University Chicago - Quinlan School of Business, an MBA from the University of Notre Dame Mendoza School of Business, and a PhD in Organization Development from Benedictine University.

Executive Leadership

Aaron Gornstein

President and Chief Executive Officer

Aaron Gornstein became the President and CEO of POAH in June 2015. He provides overall leadership and oversight of the organization, including strategic planning, financial management, supervision of the executive team, and external relations and partnerships.

From 2012-2015, Mr. Gornstein served as undersecretary for the Massachusetts Department of Housing and Community Development,, under former Governor Deval Patrick, where he greatly expanded rental assistance and homeless prevention programs, reformed and improved state public housing, and launched a comprehensive supportive housing initiative. Prior to that, he served as executive director of Citizens' Housing and Planning Association for 21 years, where he spearheaded passage of state and federal legislation, launched innovation programs, and helped to form numerous coalitions.

Mr. Gornstein earned his Bachelor of Arts degree in Political Science from the University of Wisconsin Madison, and his Master of Arts degree in Urban and Environmental Policy from Tufts University. He serves on the board of directors of the Technical Assistance Collaborative and the Massachusetts Community Preservation Coalition.

Randy Parker

Managing Director and Chief Financial Officer

Randy Parker is POAH’s Managing Director and Chief Financial Officer. He serves as POAH’s senior finance leader and principal financial strategist. He works closely with the senior team and POAH’s board to develop and implement financial policies to help establish the strategic direction of the organization. Mr. Parker is responsible for coordinating budgets and monitoring the execution of the budget in relation to organization performance and maintains POAH’s lender, banking, investor, and foundation relationships. Mr. Parker works closely with POAH’s development, acquisitions, asset management, property management, and community impact functions to assure that financial risks are considered and appropriately addressed. He also oversees POAH’s human resources function, including compensation, benefits, benchmarking, and negotiation of company benefits.

Mr. Parker has more than 30 years of experience in the private real estate sector and has held senior positions at Beacon Capital Partners, TA Associates Realty, and the non-profit Housing Partnership Network. He has experience in a variety of organizations, ranging from on-the-ground architectural and development work to real estate investment to asset and portfolio management.

Mr. Parker holds a BS in Architecture from the University of Kentucky and an MBA from The Wharton School at the University of Pennsylvania.

Rodger Brown

Managing Director, Real Estate Development

Rodger Brown is responsible for overseeing the activities of all real estate development staff, managing resource allocation, department budgets, establishing strategic initiatives and providing direction on the most complex real estate transactions. He has been part of the POAH organization since 2004 and has since participated in the growth of POAH's portfolio to more than 12,000 units. Mr. Brown directed the award winning, $42 million transformation of the United Front Homes into the Temple Landing neighborhood in downtown New Bedford. This innovative project involved the complete reconstruction of 5 new city blocks and public infrastructure while incorporating substantial rehabilitation and new construction of 173 units of affordable housing and a community center into a new neighborhood.

Mr. Brown also led the team responsible for structuring and executing one of the largest single transactions in the history of MassHousing, the acquisition and rehabilitation of the 841 Boston/Cape Cod/Hudson portfolio. This $290 million transaction involved 6 properties, financed utilizing privately placed tax-exempt bonds, 4% low income housing tax credits and Massachusetts State Low Income Housing tax credits. Mr. Brown has also directed POAH projects in several new geographies, including Washington, D.C., Maryland, Illinois and most notably Florida where he coordinated the acquisition and rehabilitation of a troubled 825-unit, 5 property portfolio and worked with local officials to develop public policies which promote the preservation of affordable housing.

Mr. Brown brings more than 20 years of experience producing affordable housing. Prior to joining POAH, Mr. Brown operated a real estate consultancy providing project structuring and development consulting services to a range of for-profit, non-profit, and governmental entities.

Mr. Brown is a graduate of Boston College and held a two year HUD fellowship at the Massachusetts Institute of Technology Department of Urban Planning.

Rochelle Beeks

President, POAH Communities

Rochelle Beeks serves as President of POAH Communities, overseeing POAH's portfolio of affordable housing apartments in eleven states and the District of Columbia, as well as over 400 staff members in offices in Kansas City, Chicago, and Boston. Ms. Beeks has implemented new practices and procedures, including launching a staff training and mentoring program, along with improving the use of data collection to support organizational goals.

Ms. Beeks joined POAH Communities in 2006, as a regional property supervisor in Chicago. There, she helped grow the company's relationship with the Woodlawn Preservation and Investment Corporation, which paved the way for POAH's acquisition of the distressed Grove Parc Apartments on Chicago's South Side and the construction of the redevelopment called Woodlawn Park. Most recently, Ms. Beeks served as Executive Vice President & Chief Operating Officer for POAH Communities, beginning in 2010. In this role, she has overseen its significant growth from managing 50 properties and 6,000 affordable housing units to more than 120 properties and over 12,000 affordable units.

She holds a Master's in Business Administration from Boston University.

Judith Jacobson

Managing Director and General Counsel

Judith Jacobson is POAH's Managing Director and General Counsel, responsible for developing the organization's legal strategies around acquisitions and operations and for guiding POAH's legal affairs, ensuring legal compliance, and limiting organizational risk exposure. Ms. Jacobson works closely with and advises POAH's CEO, board of directors, legal team, and senior leadership team.

Ms. Jacobson has over 30 years of experience in the affordable housing and community development field including the areas of financing multifamily rental properties, credit enhancement of tax-exempt bonds, first-time homebuyer programs, regulations for mixed finance of public housing, and technical assistance to municipalities. She has spearheaded major innovations in the field of affordable housing, including the development of the One Source loan program for construction and permanent loans and MassDocs, the consolidated closing documents used for all state subsidy loans.

Ms. Jacobson has received numerous awards, including the Community Service Award from Citizens' Housing and Planning Association, the Unsung Hero Award from the Women's Bar Association, and the Public Service Award from Commercial Real Estate Women. On a volunteer basis, she has also served as the chair of the Newton Community Preservation Committee and the Real Estate Bar Association's Affordable Housing Committee.

Ms. Jacobson received her JD degree from Northeastern University School of Law in Boston and her BA from Clark University in Worcester, Massachusetts.

Allison Adduci

Senior Vice President, Finance and Accounting

Allison Adduci is POAH's Senior Vice President of Finance and Accounting and is responsible for all accounting aspects of the organization, its subsidiaries, and its multiple operating partnerships. She manages corporate reporting, budgeting, and forecasting as well as oversees the development accounting process for the properties that POAH owns. She acts as a liaison with POAH's management company, POAH Communities, as well as investors, lenders, finance agencies, and accounting firms.

Ms. Adduci previously worked as a property accountant for The Community Builders and as an audit manager specializing in affordable housing for Ziner & Company, PC.

Ms. Adduci holds a Bachelor's Degree in Business Administration from Bryant University.

Bill Eager

Senior Vice President, Real Estate Development, Midwest Region

Bill Eager serves as POAH's Vice President of Real Estate Development for the Midwest Region. He oversees all multifamily development activity for POAH's regional office and leads the company's implementation of a $30.5 million Choice Neighborhoods Initiative in the Woodlawn Community. He supervises project managers in the development process from acquisition to completion of construction and lease-up, including, financial analysis, design and construction, on-time and on-budget closings, and full lease-up.

Mr. Eager holds more than 20 years of experience in economic development, affordable housing development and municipal finance. Prior to joining POAH in 2011, he served as Managing Deputy Commissioner for Chicago's Department of Housing and Economic Development's Housing Bureau. He managed the $500 million annual tax increment finance program and the $100 million housing development budget for the City of Chicago. Previously in the 1990s, Mr. Eager worked as a reporter and editor for several newspapers in the Northeast part of the country.

Mr. Eager holds an M.A. in Public Policy from the University of Chicago and a B.A. in English from the University of Massachusetts - Dartmouth.

Julie Creamer

Senior Vice President, Acquisitions

Julie Cramer is POAH's Senior Vice President of Acquisitions. She focuses on project acquisition and redevelopment, including predevelopment assessment and budgeting, preconstruction analysis and programming, financial and project oversight. Previously she worked in POAH's development department overseeing major renovations throughout the portfolio.

Before coming to POAH, Ms. Creamer worked for Corcoran Jennison Companies as a project manager assigned to several mixed-income, ground up development projects. Before returning to graduate school, she worked as a sales manager and engineer in the HVAC design and construction field.

Ms. Cramer holds a BS in Mechanical Engineering from Case Western Reserve University and earned a Master of Science in Real Estate Finance and Development from the Massachusetts Institute of Technology.

Cory Mian

Senior Vice President, Real Estate Development

Cory Mian is POAH's Senior Vice President for Real Estate Development, responsible for managing POAH’s development staff of project managers, overseeing the work of the development team, and leading POAH’s most complicated acquisition and redevelopment executions. She coordinates project staffing, informs key decisions on POAH’s real estate transactions, leads training and system development for the department, and serves as a subject matter expert for staff performing predevelopment assessments, financial and programmatic structuring, and project oversight.

Ms. Mian possesses a broad knowledge of complex deal structuring and layered finance, and has employed most of the available federal, state, local, private and tax credit equity resources and programs to underwrite affordable multi-family housing preservation since joining POAH as a Project Manager in 2005. Ms. Mian has worked on an increasing number of neighborhood revitalization projects, including the initial phases of the Whittier Street redevelopment, a Choice Neighborhoods Project in partnership with the Boston Housing Authority. Most recently, Ms. Mian is leading the community process, resident engagement, and design planning of Clarendon Hill, the redevelopment of a public housing site in Somerville, Mass.

Prior to joining POAH, Ms. Mian worked at MMA Financial in their underwriting and asset management groups.

Ms. Mian holds a Bachelor’s degree from Brown University and a Masters in Urban Planning from the Graduate School of Design at Harvard University.

Andrew Spofford

Chief of Staff and Senior Vice President

Andrew Spofford is Chief of Staff and Senior Vice President at POAH, responsible for coordinating and promoting the CEO’s internal agenda, and formulating and advancing POAH’s external public policy agenda. In addition, he supports the CFO’s financial planning and risk management roles and serves as lead staff for POAH’s strategic planning efforts.

Mr. Spofford has previously served in a range of roles at POAH since joining in 2006, including as a Project Manager in Development and as Vice President for Policy and Strategic Planning. He was instrumental in POAH's receiving a $30.5 million grant under HUD’s Choice Neighborhoods Initiative to support the revitalization of the Grove Parc Plaza Apartments and the surrounding Woodlawn community on the South Side of Chicago.

Mr. Spofford previously worked for National Strategies, a public affairs consulting firm, in Washington, DC.

Mr. Spofford holds an AB in Social Studies from Harvard College and a Master’s in Urban Planning from Harvard University’s Graduate School of Design with a concentration in Real Estate Development.

Dena Xifaras

Senior Vice President, Ownership and Operations

Dena Xifaras is POAH's Senior Vice President for Ownership and Operations, responsible for the oversight of POAH’s long-term ownership interests in its real estate portfolio. She oversees the Asset Management, Technology, and Design & Building Performance departments, develops property and portfolio strategies, leads the development and use of higher level portfolio analytics, and fosters the growth of POAH’s ownership and operations function. Ms. Xifaras directs staff carrying out workouts, refinancing, dispositions, limited partner exits, subsidy renewals, financial oversight, relationship management, capital planning, budgeting, risk management, energy management, technology initiatives and process improvements.

Prior to taking on her current role, Ms. Xifaras worked with POAH’s Development team as a project manager for five years, overseeing the acquisition and redevelopment of over $100 million in total development costs and doing predevelopment assessments, financial and programmatic structuring, budgeting, and project oversight. Prior to her work at POAH, she was the North America Finance Lead at Accenture, a global management consulting, technology services and outsourcing company.

Ms. Xifaras is a resident of southeastern Massachusetts and active in local initiatives, including serving on the board for the Old Rochester Regional Athletic Hall of Fame and the UMASS Dartmouth Foundation, and volunteering for town and youth initiatives. She was named one of the Affordable Housing Finance Magazine’s Young Leaders of 2014.

Ms. Xifaras holds a bachelor’s degree from Boston College, a JD from Suffolk University Law School, and two Master’s degrees from Bentley College — a Master of Business Administration and a Master of Science with dual focus on Real Estate Management and Financial Planning.

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
8330 On the River	Detroit, MI	Senior / 100% Affordable / 4% & TCX LIHTC	281	280	--	280	279	168	62	50	1977	2004	60% AMI;80% AMI;	$9,084	13%	X	X					4	
920 On the Park	Troy, MI	Senior / 100% Affordable / 4% LIHTC	298	297	--	297	289	178	68	51	1973-1975	2004	50% AMI;60% AMI;80% AMI;	$19,520	22%	X	X					3	
Aaron Briggs & Cherry Hill	Providence, RI	Senior / 100% Affordable / 4% LIHTC	160	160	--	160	157	160	--	--	1977-1978	2016	60% AMI;80% AMI;	$9,029	13%	X	X				X	8	
Abigail Apartments	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	73	71	--	71	71	58	--	13	1870-1885	2013	35% AMI;50% AMI;60% AMI;	No Data	No Data								
Abington Race & Pleasant (Temporary GP)	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	50	50	--	50	50	10	30	10	1870-1900	2018	35% AMI;50% AMI;60% AMI;80% AMI;	$28,819	37%								
Archer Senior (Buy & Hold CCDC)	Chicago, IL	Senior / 100% Affordable / 9% LIHTC	55	55	--	55	55	12	9	34	2007	2007	30% AMI;50% AMI;60% AMI;	$19,880	31%								
Bay Meadow Apartments	Springfield, MA	Family / 100% Affordable / 4% LIHTC	148	148	--	148	146	148	--	--	1943	2008	30% AMI;50% AMI;60% AMI;	$4,816	7%	X	X					6	
Baymiller Apartments	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	31	31	--	31	31	31	--	--	1855-1894	2006	35% AMI;50% AMI;60% AMI;	$8,199	11%								
Beachwinds Apartments (LIHTC Phase II)	Narragansett, RI	Senior / 100% Affordable / 4% LIHTC	104	104	--	104	104	104	--	--	1977	2021	50% AMI;60% AMI;80% AMI;120% AMI;	$13,303	14%	X	X				X	7	EGC (not certified)
Bedford Village & 447 Concord	Bedford, MA	Family / Mixed / 4% LIHTC	110	110	2	108	62	24	13	73	1973	2020	30% AMI;50% AMI;60% AMI;80% AMI;100% AMI;	$23,168	30%	X	X	X			X	9	

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
8330 On the River	95.50%	94.68%	99.40%	90.30%	MSHDA (Michigan State Housing Development Authority)	0.87	$5,030,516	$--	$4,787,051	$1,822,624	$2,964,427	MSHDA (Michigan State Housing Development Authority); Related Corporate Partners XXIII, L.P.;	$212,041	$362,692	$700,177	$124,280	$--	$502,329
920 On the Park	96.76%	95.52%	100.18%	94.61%	MSHDA (Michigan State Housing Development Authority)	1.09	$6,777,637	$--	$1,003,961	$1,001,802	$2,159		$1,662,026	$117,380	$245,729	$183,996	$1,010	$667,372
Aaron Briggs & Cherry Hill	99.14%	99.54%	99.67%	101.07%	RIH (Rhode Island Housing)	2.46	$9,988,257	$--	$1,801,616	$1,796,338	$5,278		$476,022	$593,694	$137,413	$60,280	$24	$619,140
Abigail Apartments	96.10%	91.03%	96.15%	102.99%	KeyBank National Association	-1.24	$873,673	$--	$1,178,073	$--	$1,178,073	City of Cincinnati; Ohio Housing Finance Agency;	$115,478	$192,681	$66,270	$16,805	$--	$68,045
Abington Race & Pleasant (Temporary GP)	97.09%	97.65%	94.45%	94.60%	Cornerstone for Shared Equity (CSE)	-3.17	$--	$1,057,567	$2,967,989	$412,909	$2,555,080	33 Green, LLC; City of Cincinnati; Cornerstone for Shared Equity (CSE); Ohio Housing Finance Agency;	$51,820	$123,265	$46,793	$20,876	$--	$7,052
Archer Senior (Buy & Hold CCDC)	96.79%	94.16%	98.32%	98.03%	HUD	0.01	$910,135	$--	$3,740,406	$--	$3,740,406	Chicago Low Income Housing Trust Fund; City of Chicago, IL;	$400,235	$--	$44,282	$32,560	$--	$79,628
Bay Meadow Apartments	98.71%	98.32%	98.65%	99.12%	MHFA (Mass Housing Finance Agency)	1.37	$7,285,114	$--	$1,750,038	$2,131,540	-$381,502		$400,528	$70,530	$210,299	$105,506	$--	$547,454
Baymiller Apartments	96.31%	92.62%	99.20%	95.31%	U.S. Bank National Association	-0.59	$533,204	$--	$1,047,744	$491,676	$556,068	Community Revitalization Agency;	$104,705	$118,196	$36,227	$18,789	$--	$55,806
Beachwinds Apartments (LIHTC Phase II)	98.59%	96.24%	100.02%	99.72%	RIH (Rhode Island Housing)	10.45	-$482,479	$17,559,332	$13,962,319	$10,023,519	$3,938,800		$--	$--	$938,202	$6,556	$2,245,886	$84,540
Bedford Village & 447 Concord	94.79%	98.55%	98.40%	100.69%	MHFA (Mass Housing Finance Agency)	1.2	$8,000,700	$--	$15,889,775	$1,401,722	$14,488,053	DHCD (MA Dept. of Housing and Community Development); MHFA (Mass Housing Finance Agency); MHP (Massachusetts Housing Partnership); Town of Bedford;	$1,000,881	$386,563	$239,694	$56,130	$354,782	$479,152

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
Billings Forge Apartments	Hartford, CT	Family / Mixed / 4% LIHTC	116	113	11	102	101	68	26	19	1979	2016	60% AMI;80% AMI;	$15,065	27%	X	X					3	
Brandy Hill Apartments	East Wareham, MA	Family / Mixed / 4% LIHTC	132	132	8	124	124	97	28	7	1972	2017	30% AMI;50% AMI;60% AMI;	$10,825	23%	X	X			X	X	11	EGC
Bridle Path Apartments	Randolph, MA	Senior / 100% Affordable / 4% LIHTC	104	104	--	104	104	103	1	--	1984	2008	30% AMI;50% AMI;60% AMI;	$14,289	22%	X	X		X		X	8	
Briston Arms Apartments	Cambridge, MA	Family / Mixed / 4% LIHTC	154	154	35	119	119	88	15	51	1972	2016	30% AMI;50% AMI;60% AMI;	$14,896	23%	X	X			X	X	4	
Burnet Place (Temporary GP)	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	65	62	--	62	62	62	--	--	1900-1930	2010	35% AMI;50% AMI;60% AMI;	$9,859	22%								
Burnham Manor (Chicagoland Buy & Hold)	Elgin, IL	Senior / 100% Affordable / N/A LIHTC	100	100	--	100	--	100	--	--	1979	1980	50% AMI;60% AMI;120% AMI;	$20,619	29%								
Campbell Arms Apartments	Homestead, FL	Family / 100% Affordable / N/A LIHTC	201	201	--	201	--	--	46	155	1972	2015	50% AMI;60% AMI;80% AMI;	$9,555	12%		X					2	
Canal Bluffs	Bourne, MA	Family / 100% Affordable / 9% LIHTC	28	28	--	28	28	3	10	15	2009	2009	30% AMI;50% AMI;60% AMI;	$13,776	15%	X	X				X	6	
Central Annex & Union Court Apartments	Pittsfield, MA	Senior/Family / 100% Affordable / 4% LIHTC	105	101	--	101	100	101	--	--	1896	2015	30% AMI;50% AMI;60% AMI;80% AMI;	$39,109	49%	X	X			X		6	
Chestnut Gardens	Lynn, MA	Senior / 100% Affordable / 4% LIHTC	66	65	--	65	65	65	--	--	1895	2008	30% AMI;50% AMI;60% AMI;	$13,020	17%	X	X	X		X	X	6	

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Billings Forge Apartments	97.04%	97.45%	98.39%	99.41%	Connecticut Housing Finance Authority	1.36	$3,071,884	$--	$10,692,133	$666,501	$10,025,632	Connecticut Department of Housing; Connecticut Dept of Economic and Community Development; New Song, LLC;	$317,580	$597,640	$176,503	$50,989	$--	$200,938
Brandy Hill Apartments	96.54%	97.87%	100.55%	99.00%	MHFA (Mass Housing Finance Agency)	1.76	$10,452,788	$--	$3,762,182	$3,753,542	$8,640		$961,560	$653,839	$224,112	$98,517	$125,956	$570,180
Bridle Path Apartments	98.98%	98.59%	99.85%	99.81%	MHFA (Mass Housing Finance Agency)	1.46	$8,549,465	$--	$1,576,788	$1,518,346	$58,442		$314,846	$47,131	$235,356	$74,139	$--	$657,888
Briston Arms Apartments	95.93%	86.92%	98.99%	99.12%	MHFA (Mass Housing Finance Agency)	0.86	$33,889,821	$--	$18,324,579	$16,170,945	$2,153,634	Cambridge Affordable Housing Trust; Life Insurance Community Investment Initiative, LLC;	$428,707	$1,650,483	$310,179	$77,430	$--	$2,098,257
Burnet Place (Temporary GP)	96.39%	98.01%	94.56%	97.47%	KeyBank National Association	0.08	$534,146	$--	$3,649,307	$21,467	$3,627,840	City of Cincinnati; Uptown Burnet Place;	$114,081	$416,991	$61,615	$26,232	$--	$52,195
Burnham Manor (Chicagoland Buy & Hold)	98.31%	99.07%	99.77%	99.95%	KeyBank National Association	3.23	$8,517,384	$--	$1,275,000	$1,275,000	$--		$281,364	$--	$236,563	$40,000	$--	$205,727
Campbell Arms Apartments	99.51%	99.20%	99.67%	99.53%	PNC	2.71	$--	$--	$1,920,898	$--	$1,920,898		$--	$--	$--	$50,250	$--	$193,371
Canal Bluffs	97.15%	96.63%	97.63%	102.55%	MHFA (Mass Housing Finance Agency)	1.57	$684,509	$--	$6,036,436	$205,932	$5,830,504	Barnstable County; DHCD (MA Dept. of Housing and Community Development); MHFA (Mass Housing Finance Agency);	$18,442	$122,450	$115,475	$13,410	$--	$66,877
Central Annex & Union Court Apartments	98.22%	97.17%	99.37%	100.06%	MHFA (Mass Housing Finance Agency)	1.73	$5,037,928	$--	$3,841,796	$1,091,790	$2,750,006	DHCD (MA Dept. of Housing and Community Development); MHFA (Mass Housing Finance Agency);	$189,946	$582,728	$190,725	$59,597	$--	$344,569
Chestnut Gardens	99.45%	97.13%	99.70%	102.18%	MHFA (Mass Housing Finance Agency)	1.28	$5,061,213	$--	$3,235,451	$3,172,337	$63,114		$95,879	$34,614	$140,794	$42,949	$--	$383,940

APPENDIX A

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
Clay Pond Cove	Bourne, MA	Senior / 100% Affordable / 9% LIHTC	45	45	--	45	45	8	19	18	2012	2012	30% AMI;50% AMI;60% AMI;	$27,170	38%	X	X					4	
Clifton Magnolia	Chicago, IL	Family / 100% Affordable / 4% LIHTC	59	59	--	59	59	59	--	--	1912 (C) 1915 (M)	2011	30% AMI;50% AMI;60% AMI;	$15,730	31%					X	X	1	
Cocheco Park Apartments	Dover, NH	Senior / 100% Affordable / 4% LIHTC	82	78	--	78	78	78	--	--	1980	2008	50% AMI;60% AMI;80% AMI;	$17,430	21%	X						1	
Colony Plaza Apartments	Excelsior Springs, MO	Senior / 100% Affordable / 4% LIHTC	111	111	--	111	111	110	--	1	1980	2000	60% AMI;80% AMI;	$19,590	26%	X	X					5	
Community Manor	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	22	19	--	19	19	19	--	--	1889	2004	35% AMI;50% AMI;60% AMI;100% AMI;	$26,693	35%								
Corcoran Place Apartments (Buy & Hold)	Chicago, IL	Senior / 100% Affordable / N/A LIHTC	94	94	--	94	--	93	--	1	1928 and 1983	1983	50% AMI;60% AMI;120% AMI;	$38,471	37%						X	1	
Country Club Village I Apartments	Springfield, MO	Family / 100% Affordable / 4% LIHTC	70	70	--	70	70	70	--	--	1948	2001	60% AMI;80% AMI;	$35,592	31%								
Country Club Village II Apartments	Springfield, MO	Family / 100% Affordable / 4% LIHTC	28	28	--	28	28	28	--	--	1948	2002	60% AMI;	$13,777	21%								
Crestview Village Apartments (IL)	Kankakee, IL	Family / 100% Affordable / 4% & TCX LIHTC	132	132	--	132	132	132	--	--	1971	2006	50% AMI;60% AMI;	$44,541	41%	X	X				X	4	
Crestview Village Apartments (MO)	Liberty, MO	Family / 100% Affordable / 4% LIHTC	48	48	--	48	48	48	--	--	1982	2002	60% AMI;	$11,827	12%	X	X					2	

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Clay Pond Cove	97.63%	100.00%	99.89%	99.82%	MHP (Massachusetts Housing Partnership)	4.6	$619,174	$--	$7,042,546	$4,738,954	$2,303,592	Barnstable County; DHCD (MA Dept. of Housing and Community Development);	$216,683	$94,470	$561,052	$23,386	$--	$45,617
Clifton Magnolia	96.61%	99.09%	92.21%	107.46%	Prudential	1.94	$5,546,401	$--	$3,889,947	$--	$3,889,947	Illinois Housing Development Authority (IHDA); Voice of the People in Uptown;	$192,817	$100,509	$1,180,913	$30,082	$379,010	$277,729
Cocheco Park Apartments	98.29%	98.50%	99.96%	100.36%	New Hampshire Housing Finance Authority	1.73	$3,911,485	$--	$1,365,948	$487,111	$878,837	New Hampshire Housing Finance Authority;	$259,955	$139,939	$137,247	$97,302	$--	$339,662
Colony Plaza Apartments	99.41%	97.52%	99.83%	87.34%	PNC	2.3	$2,312,522	$--	$2,036,168	$634,259	$1,401,909	HUD;	$442,568	$--	$61,043	$70,344	$--	$163,163
Community Manor	98.29%	96.26%	94.68%	87.89%	U.S. Bank National Association	-0.34	$414,431	$--	$1,076,892	$660,762	$416,130	City of Cincinnati;	$50,012	$67,623	$--	$12,724	$--	$29,608
Corcoran Place Apartments (Buy & Hold)	97.89%	96.01%	99.91%	99.87%	Local Initiative Support Corporation (LISC)	1.87	$4,000,000	$--	$2,840,689	$891,295	$1,949,394	HUD;	$384,636	$--	$64,754	$45,825	$--	$201,000
Country Club Village I Apartments	98.69%	97.80%	100.00%	98.16%	MHDC (Missouri Housing Development Commission)	3.43	$609,782	$--	$--	$--	$--		$218,543	$--	$68,424	$21,600	$--	$85,526
Country Club Village II Apartments	98.80%	99.24%	99.56%	100.21%	MHDC (Missouri Housing Development Commission)	2.02	$128,070	$--	$855,446	$69,514	$785,932	HUD;	$36,235	$--	$27,464	$13,480	$--	$19,820
Crestview Village Apartments (IL)	97.35%	98.69%	95.23%	102.71%	Illinois Housing Development Authority (IHDA)	1.38	$2,055,737	$--	$8,031,501	$4,332,300	$3,699,201	Illinois Housing Development Authority (IHDA);	$110,988	$258,909	$265,577	$46,200	$239,526	$161,869
Crestview Village Apartments (MO)	97.47%	98.68%	99.62%	99.34%	MHDC (Missouri Housing Development Commission)	3.15	$312,647	$--	$1,292,756	$--	$1,292,756	HUD;	$53,723	$--	$21,249	$35,071	$--	$46,881

APPENDIX A

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
Cromwell Court Apartments	Hyannis, MA	Family / 100% Affordable / 4% LIHTC	124	124	--	124	117	82	34	8	1973	2011	30% AMI;50% AMI;60% AMI;	$13,537	22%	X	X			X	X	12	
Cutler Manor Apartments	Miami, FL	Family / 100% Affordable / N/A LIHTC	220	220	--	220	--	218	--	2	1971	2009	50% AMI;	$11,701	18%								
Cutler Meadows Glen Apartments	Miami, FL	Family / 100% Affordable / N/A LIHTC	225	225	--	225	--	224	--	1	1981-1983	2009	50% AMI;80% AMI;	$20,131	30%								
Deerfield Village Apartments	Carthage, MO	Family / 100% Affordable / 4% LIHTC	60	60	--	60	60	60	--	--	1979	2000	60% AMI;	$27,767	23%		X					1	
Dom Narodowy Polski Apartments	Chicopee, MA	Senior / 100% Affordable / 4% LIHTC	51	50	--	50	50	50	--	--	1930	2008	30% AMI;60% AMI;	$14,287	23%	X	X					5	
Emil Jones Jr (Recap)	Chicago, IL	Senior / 100% Affordable / 4% LIHTC	60	60	--	60	60	60	--	--	2004	2021	30% AMI;50% AMI;60% AMI;	$13,961	21%	X	X				X		
Fairview Estates	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	28	28	--	28	28	28	--	--	1875-1908	2007	35% AMI;50% AMI;60% AMI;	$8,165	10%								
Fairweather Apartments	Salem, MA	Senior / 100% Affordable / 4% LIHTC	325	321	--	321	317	220	27	74	1969	2008	30% AMI;60% AMI;80% AMI;120% AMI;	$12,677	19%	X	X	X	X			7	
Fieldstone Apartments	Narragansett, RI	Family / 100% Affordable / 4% LIHTC	24	24	--	24	24	24	--	--	1970	2008	60% AMI;80% AMI;	$13,230	31%	X					X	4	
Flat 9 at Whittier (Phase 1A-4%)	Boston, MA	Family / Mixed / 4% LIHTC	58	58	7	51	43	28	12	18	2019	2020	30% AMI;50% AMI;60% AMI;120% AMI;	$8,216	11%	N/A (New)	N/A (New)				X	2	LEED

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Cromwell Court Apartments	96.88%	96.85%	97.67%	102.71%	MHFA (Mass Housing Finance Agency)	2.35	$5,315,248	$--	$4,293,758	$1,141,476	$3,152,282	Cape Cod Commission; DHCD (MA Dept. of Housing and Community Development); MHP (Massachusetts Housing Partnership);	$513,160	$710,114	$182,006	$81,118	$--	$395,185
Cutler Manor Apartments	99.49%	97.16%	99.51%	98.92%	Citi Community Capital	1.18	$9,462,421	$--	$4,635,161	$1,645,019	$2,990,142	Florida Housing Finance Corporation; Miami-Dade County;	$292,383	$--	$275,023	$44,154	$--	$551,077
Cutler Meadows Glen Apartments	98.50%	96.01%	99.82%	99.88%	CBRE	1.42	$20,850,601	$--	$--	$--	$--		$866,451	$--	$3,194,067	$78,213	$--	$1,164,058
Deerfield Village Apartments	96.11%	95.67%	97.45%	87.96%	MHDC (Missouri Housing Development Commission)	1.27	$623,193	$--	$23,137	$23,117	$20		$48,755	$--	$58,649	$16,980	$--	$91,451
Dom Narodowy Polski Apartments	97.84%	99.27%	99.98%	100.33%	MHFA (Mass Housing Finance Agency)	1.51	$2,090,555	$--	$1,066,280	$1,012,113	$54,167		$170,146	$20,985	$80,992	$35,646	$--	$164,991
Emil Jones Jr (Recap)	96.43%	90.35%	68.55%	116.59%	None	N/A	$--	$2,028,897	$4,142,879	$--	$4,142,879		$--	$--	$--	$59,774	$--	$--
Fairview Estates	95.56%	96.22%	99.00%	96.73%	U.S. Bank National Association	0.27	$390,008	$--	$861,651	$399,239	$462,412	Community Revitalization Agency;	$139,465	$79,951	$34,322	$17,649	$--	$41,617
Fairweather Apartments	97.79%	94.72%	99.91%	96.71%	MHFA (Mass Housing Finance Agency)	1.97	$15,295,122	$--	$457,426	$356,262	$101,164		$975,345	$760,197	$264,612	$196,111	$--	$1,180,757
Fieldstone Apartments	98.40%	99.60%	99.42%	97.59%	RIH (Rhode Island Housing)	1.24	$1,796,370	$--	$6,135,178	$6,027,242	$107,936	RIH (Rhode Island Housing);	$51,992	$80,388	$37,773	$11,268	$94	$150,268
Flat 9 at Whittier (Phase 1A-4%)	94.32%	98.41%	100.69%	98.26%	MHFA (Mass Housing Finance Agency)	1.17	$11,900,987	$--	$9,921,009	$1,952,219	$7,968,790	Boston Housing Authority (BHA); DHCD (MA Dept. of Housing and Community Development); DND (Department of Neighborhood Development); MHFA (Mass Housing Finance Agency);	$65,378	$742,747	$106,309	$36,314	$--	$706,195

APPENDIX A

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Flat 9 at Whittier (Phase 1A-9%)	Boston, MA	Family / Mixed / 9% LIHTC	34	34	5	29	22	15	9	10	2019	2020	30% AMI;50% AMI;60% AMI;120% AMI;	$9,788	23%	N/A (New)	N/A (New)						LEED
Flat 9 at Whittier (Phase 2)	Roxbury, MA	Family / Mixed / 4% LIHTC	52	52	4	48	41	24	--	28	2021	2021		$12,246	19%	N/A (New)	N/A (New)		X				LEED
Founders Court	Hyannis, MA	Family / Mixed / 4% LIHTC	33	32	5	27	27	2	16	14	1989	2017	50% AMI;60% AMI;	$16,949	21%	X	X					6	
Franklin Square Apartments	Boston, MA	Senior / 100% Affordable / 4% LIHTC	193	193	--	193	189	193	--	--	1923	2012	30% AMI;60% AMI;80% AMI;	$13,912	28%	X	X	X			X	8	
Fred C Matthews III (Recap)	Chicago, IL	Senior / 100% Affordable / 4% LIHTC	60	60	--	60	60	60	--	--	2004	2021	50% AMI;60% AMI;120% AMI;	$8,882	12%	X					X	2	
Gardner Terrace I & II (Parent Buy & Hold)	Attleboro, MA	Senior / 100% Affordable / N/A LIHTC	144	144	--	144	--	144	--	--	1880	1985	50% AMI;120% AMI;	$15,985	31%								
Garfield Hills	Washington, DC	Family / 100% Affordable / 4% LIHTC	94	94	--	94	94	93	1	--	1949	2007	50% AMI;60% AMI;80% AMI;	$18,091	19%	X	X		X			3	
Glenwood Manor	Springfield, MO	Senior/Family / 100% Affordable / 4% LIHTC	119	119	--	119	119	119	--	--	1980	2001	60% AMI;	$21,212	17%		X					1	
Grace Apartments	Providence, RI	Senior / 100% Affordable / 4% LIHTC	102	101	--	101	98	100	--	1	1979	2014	60% AMI;80% AMI;	$19,772	27%	X	X	X			X	7	
Greenwood Park Apartments	Chicago, IL	Family / 100% Affordable / 9% LIHTC	122	122	--	122	90	60	18	44	1973	2019	30% AMI;50% AMI;60% AMI;80% AMI;	$17,030	27%	X	X				X	7	EGC (not certified)

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Flat 9 at Whittier (Phase 1A-9%)	95.06%	99.77%	98.36%	98.57%	MHFA (Mass Housing Finance Agency)	1.27	$5,810,849	$--	$923,902	$104,957	$818,945	DND (Department of Neighborhood Development); MHFA (Mass Housing Finance Agency);	$36,255	$349,913	$52,175	$19,228	$--	$334,057
Flat 9 at Whittier (Phase 2)	No Data	N/A	No Data	No Financials	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company)	N/A	-$446,943	$23,530,709	$5,397,645	$--	$5,397,645		$--	$--	$--	$--	$--	$--
Founders Court	97.43%	97.48%	97.92%	95.29%	MHFA (Mass Housing Finance Agency)	2.07	$1,765,613	$--	$3,096,399	$1,079,167	$2,017,232	Founders Court Corporation; MHFA (Mass Housing Finance Agency);	$234,704	$194,820	$76,602	$25,127	$23,161	$89,371
Franklin Square Apartments	99.41%	98.60%	99.37%	101.24%	MHFA (Mass Housing Finance Agency)	1.91	$31,259,693	$--	$21,165,312	$21,090,060	$75,252		$425,590	$2,099,779	$348,813	$111,669	$662,945	$2,172,191
Fred C Matthews III (Recap)	97.52%	98.06%	90.20%	88.97%	None	N/A	$--	$1,970,774	$3,598,535	$--	$3,598,535		$--	$--	$--	$49,320	$--	$--
Gardner Terrace I & II (Parent Buy & Hold)	97.26%	98.64%	99.87%	98.55%	MHFA (Mass Housing Finance Agency)	2.3	$11,338,922	$--	$--	$--	$--		$77,444	$--	$88,245	$58,176	$1,213,492	$458,278
Garfield Hills	98.79%	97.46%	98.83%	99.17%	DCHFA	0.42	$2,789,835	$--	$4,701,088	$4,449,877	$251,211		$39,987	$50,069	$98,306	$30,552	$331,805	$308,667
Glenwood Manor	99.33%	99.22%	103.10%	100.14%	PNC	1.07	$2,794,094	$--	$46,842	$--	$46,842		$487,781	$--	$73,131	$73,980	$--	$196,834
Grace Apartments	99.36%	97.85%	99.90%	100.09%	Lument Capital (fka Red Mortgage Capital, dba ORIX)	2.03	$9,771,669	$--	$--	$--	$--		$275,794	$650,228	$124,831	$41,334	$--	$523,482
Greenwood Park Apartments	98.03%	97.65%	92.31%	95.39%	Citibank	0.19	$4,684,375	$--	$5,611,754	$1,487,827	$4,123,927	Citibank; City of Chicago;	$146,687	$487,665	$104,001	$58,713	$110,528	$303,621

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
Hawthorne Place Apartments (LIHTC II)	Independence, MO	Family / 100% Affordable / 4% LIHTC	745	745	--	745	745	691	27	27	1967-1970	2021	50% AMI;60% AMI;80% AMI;120% AMI;	$35,519	48%	X	X					1	
Hazel Winthrop (CCDC)	Chicago, IL	Family / 100% Affordable / 4% LIHTC	30	30	--	30	30	30	--	--	1899-1917	2012	50% AMI;60% AMI;80% AMI;	$15,789	21%						X	1	
Hebronville Mill (Buy & Hold)	Attleboro, MA	Family / Mixed / N/A LIHTC	83	83	24	59	--	31	16	36	1880	1985	50% AMI;120% AMI;	No Data	No Data								
Heritage Village Apartments	North Kingstown, RI	Senior/Family / 100% Affordable / 4% LIHTC	204	204	--	204	204	204	--	--	1979-1980	2008	60% AMI;80% AMI;	$14,396	34%	X	X				X	6	
High Meadow Townhomes	Bourne, MA	Family / Mixed / 9% LIHTC	44	44	2	42	35	9	14	21	2017-2018	2018	30% AMI;50% AMI;60% AMI;75% AMI;	$10,908	16%	N/A (New)	N/A (New)					5	Energy Star for New Construction
Highland Acres Apartments	Carthage, MO	Senior / 100% Affordable / 4% LIHTC	35	35	--	35	35	35	--	--	1980	2002	60% AMI;	$9,733	19%								
Highland Meadows Apartments	Carthage, MO	Senior / 100% Affordable / 4% LIHTC	44	44	--	44	44	44	--	--	1978	2000	60% AMI;	$34,657	42%		X					1	
Hillcrest Village Apartments	Providence, RI	Senior / 100% Affordable / 4% LIHTC	130	130	--	130	129	130	--	--	1979	2007	60% AMI;80% AMI;	$12,049	19%	X	X	X			X	6	
Hillside Village Apartments	Providence, RI	Family / 100% Affordable / 4% LIHTC	42	42	--	42	42	42	--	--	1991	2007	60% AMI;80% AMI;	$12,733	29%	X	X				X	7	
Houston Plaza Apartments	Adrian, MO	Senior / 100% Affordable / 4% LIHTC	34	34	--	34	34	34	--	--	1980	2002	60% AMI;80% AMI;	$17,963	16%								

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Hawthorne Place Apartments (LIHTC II)	95.05%	96.21%	98.74%	97.51%	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company)	3.51	$976,476	$19,952,440	$32,246,439	$30,545,336	$1,701,103	MHDC (Missouri Housing Development Commission);	$--	$--	$675,443	$130,314	$500,000	$566,008
Hazel Winthrop (CCDC)	100.00%	98.08%	83.44%	115.87%	HUD	1.78	$1,858,268	$--	$6,771,726	$--	$6,771,726	City of Chicago, IL; Voice of the People in Uptown;	$193,742	$204,402	$382,330	$41,600	$--	$140,467
Hebronville Mill (Buy & Hold)	96.60%	95.15%	95.60%	99.61%	MHFA (Mass Housing Finance Agency)	N/A	$5,950,000	$--	$8,567,312	$--	$8,567,312	MHFA (Mass Housing Finance Agency);	$223,928	$--	$98,523	$22,825	$3,730,662	$--
Heritage Village Apartments	99.03%	98.51%	100.05%	100.10%	RIH (Rhode Island Housing)	1.51	$13,388,405	$--	$3,418,413	$3,407,921	$10,492		$435,189	$545,084	$240,396	$91,461	$349,543	$1,139,715
High Meadow Townhomes	95.84%	96.33%	96.53%	101.25%	MHFA (Mass Housing Finance Agency)	1.5	$3,238,276	$--	$3,238,842	$202,864	$3,035,978	Barnstable County Home Consortium; CEDAC (Community Economic Development Assistance Corporation); DHCD (MA Dept. of Housing and Community Development); MHFA (Mass Housing Finance Agency);	$60,823	$205,228	$150,932	$21,266	$--	$212,672
Highland Acres Apartments	97.21%	95.93%	99.74%	77.83%	MHDC (Missouri Housing Development Commission)	3.26	$170,569	$--	$422,133	$--	$422,133	HUD;	$133,204	$--	$15,060	$13,932	$--	$24,799
Highland Meadows Apartments	97.88%	96.07%	100.03%	98.95%	MHDC (Missouri Housing Development Commission)	2.06	$376,931	$--	$358,159	$356,903	$1,256		$110,463	$5,283	$18,356	$12,204	$--	$55,008
Hillcrest Village Apartments	99.49%	98.67%	100.04%	99.48%	RIH (Rhode Island Housing)	1.29	$9,447,661	$--	$493,132	$384,688	$108,444	RIH (Rhode Island Housing);	$412,413	$572,468	$268,002	$53,237	$--	$794,358
Hillside Village Apartments	99.15%	99.91%	99.97%	100.69%	RIH (Rhode Island Housing)	1.4	$3,006,903	$--	$957,587	$957,845	-$258		$189,749	$320,285	$55,294	$26,136	$--	$243,694
Houston Plaza Apartments	97.55%	98.87%	99.70%	96.83%	MHDC (Missouri Housing Development Commission)	-0.29	$63,040	$--	$670,594	$--	$670,594	HUD;	$74,660	$--	$21,778	$15,672	$--	$11,211

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
Island Terrace (Buy & Hold)	Chicago, IL	Family / Mixed / N/A LIHTC	240	240	140	100	--	88	94	58	1969	1971	30% AMI;50% AMI;120% AMI;	$8,704	13%								
Jesse Jackson Jr. East	Harvey, IL	Senior / 100% Affordable / N/A LIHTC	60	60	--	60	--	60	--	--	2007	2007	50% AMI;	$9,670	14%						X	1	
Jesse Jackson Jr. West	Harvey, IL	Senior / 100% Affordable / N/A LIHTC	60	60	--	60	--	60	--	--	2007	2007	50% AMI;	$15,691	16%						X	1	
Kenmore Abbey	Boston, MA	Senior / 100% Affordable / 4% LIHTC	200	199	--	199	198	198	--	1	1915	2013	30% AMI;50% AMI;60% AMI;	$7,947	13%	X	X	X		X	X	11	
Kerper Apartments	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	42	38	--	38	38	31	5	2	1920	1999	35% AMI;60% AMI;	$7,561	11%								
King's Landing Apartments	Brewster, MA	Family / 100% Affordable / 4% LIHTC	108	108	--	108	60	62	26	20	1975	2013	30% AMI;50% AMI;60% AMI;	$15,263	21%	X					X	5	
Lafayette Terrace Apartments	Chicago, IL	Senior/Family / 100% Affordable / 4% LIHTC	94	94	--	94	93	93	--	1	1983	2016	50% AMI;60% AMI;	$13,453	21%						X	1	
Levy House (Buy and Hold)	Chicago, IL	Senior / Mixed / N/A LIHTC	57	57	10	47	--	36	10	11	1950	2009	50% AMI;120% AMI;	$14,738	20%								
Losantiville Buildings	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	69	69	--	69	69	69	--	--	1865-1905	2014	60% AMI;	$28,862	27%								
Losantiville Evanston	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	18	18	--	18	18	18	--	--	1900	2014	60% AMI;	$17,533	25%								

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Island Terrace (Buy & Hold)	No Data	95.77%	No Data	89.83%	Merchants Bank	1.59	$26,436,301	$--	$4,410,122	$4,391,867	$18,255		$275,007	$23,821	$159,258	$25,000	$--	$356,234
Jesse Jackson Jr. East	96.91%	98.56%	90.30%	81.11%	Preservation of Affordable Housing, Inc. (POAH, Inc.)	N/A	$--	$--	$9,069,678	$985,378	$8,084,300	HUD;	$274,572	$--	$171,966	$33,723	$--	$--
Jesse Jackson Jr. West	97.31%	99.04%	79.02%	93.14%	Preservation of Affordable Housing, Inc. (POAH, Inc.)	N/A	$--	$--	$9,288,400	$1,200,000	$8,088,400	HUD;	$342,256	$--	$188,857	$37,218	$--	$--
Kenmore Abbey	99.44%	99.69%	99.88%	99.94%	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company)	1.7	$34,341,919	$--	$13,664,684	$13,619,569	$45,115		$857,849	$2,400,551	$4,761,746	$108,726	$--	$2,619,303
Kerper Apartments	80.83%	81.63%	94.22%	100.03%	Ohio Capital Corporation for Housing (OCCH)	N/A	$--	$--	$2,057,631	$--	$2,057,631	Ohio Capital Corporation for Housing (OCCH); Ohio Housing Finance Agency;	$--	$--	$--	$--	$--	$--
King's Landing Apartments	97.58%	95.94%	99.65%	100.68%	MHFA (Mass Housing Finance Agency)	3.07	$3,943,250	$--	$13,310,116	$13,284,935	$25,181		$446,292	$615,115	$296,317	$67,243	$--	$285,343
Lafayette Terrace Apartments	98.96%	97.59%	99.54%	98.22%	Local Initiative Support Corporation (LISC)	0.51	$5,991,130	$--	$3,550,920	$3,016,368	$534,552	Illinois Housing Development Authority (IHDA);	$125,069	$525,580	$98,266	$38,647	$31,918	$377,344
Levy House (Buy and Hold)	No Data	90.78%	No Data	89.34%	None	-0.23	$5,482,855	$--	$3,750,000	$--	$3,750,000	City of Chicago;	$182,483	$477,134	$--	$--	$183,849	$93,867
Losantiville Buildings	96.66%	95.90%	97.90%	99.23%	KeyBank National Association	-1.42	$640,497	$--	$--	$--	$--		$184,630	$308,471	$53,548	$35,466	$--	$53,902
Losantiville Evanston	98.12%	95.83%	94.80%	100.07%	KeyBank National Association	0.54	$167,205	$--	$1,232,396	$--	$1,232,396	City of Cincinnati;	$43,912	$77,474	$--	$9,428	$--	$14,898

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

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Machado House at Peter's Grove	Hudson, MA	Senior / 100% Affordable / 4% LIHTC	96	96	1	95	91	95	--	1	1983	2012	30% AMI;60% AMI;80% AMI;	$14,233	19%	X	X					3	
Magnolia Heights (Temporary GP)	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	103	98	--	98	98	97	1	--	1845-1975	2008	35% AMI;50% AMI;60% AMI;	$12,574	19%								
Maplewood Manor Apartments	Webb City, MO	Family / 100% Affordable / 4% LIHTC	60	60	--	60	60	60	--	--	1979	2002	60% AMI;	$14,904	23%								
Martin Farrell House	Chicago, IL	Senior / 100% Affordable / 4% LIHTC	59	59	--	59	59	59	--	--	1991	2021	50% AMI;120% AMI;	$21,951	28%	X	X						EGC (not certified)
Mattie Butler Apartments (formerly JBL Wecan)	Chicago, IL	Family / 100% Affordable / 9% LIHTC	106	106	--	106	106	93	13	--	1927-1929	2020	30% AMI;50% AMI;60% AMI;80% AMI;120% AMI;	$22,247	33%	X	X						
Meadowbrook Apartments	Florence, MA	Family / Mixed / 4% LIHTC	252	252	23	229	222	9	164	79	1974	2005	30% AMI;60% AMI;	$19,598	26%	X	X					6	
Melpet Farm Residences	South Dennis, MA	Family / 100% Affordable / 9% LIHTC	27	27	--	27	27	7	15	5	2015	2015	30% AMI;50% AMI;60% AMI;	$13,185	13%	N/A (New)	N/A (New)		X		X	4	
Middletowne Apartments	Orange Park, FL	Family / Mixed / N/A LIHTC	100	100	15	85	--	85	3	12	1972	2009	30% AMI;50% AMI;60% AMI;80% AMI;	$18,185	27%								
Monroe Estates	Lebanon, MO	Senior/Family / 100% Affordable / 4% LIHTC	74	74	--	74	74	74	--	--	1980	2002	60% AMI;	$12,270	20%		X					1	
Navarre Garrone	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	63	62	--	62	62	62	--	--	1881-1900	2009	35% AMI;50% AMI;60% AMI;80% AMI;	$12,525	20%								

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Machado House at Peter's Grove	98.80%	99.36%	102.56%	98.97%	MHFA (Mass Housing Finance Agency)	1.73	$5,947,821	$--	$4,277,850	$4,264,396	$13,454		$166,682	$681,026	$177,816	$55,545	$--	$449,093
Magnolia Heights (Temporary GP)	94.55%	91.46%	97.82%	98.91%	U.S. Bank National Association	-0.67	$1,610,038	$--	$3,332,305	$482,299	$2,850,006	Ohio Capital Corporation for Housing (OCCH); Ohio Equity Fund for Housing LP XVI; Over-the-Rhine Community Housing;	$167,075	$63,979	$101,178	$51,882	$--	$181,311
Maplewood Manor Apartments	96.44%	96.63%	99.13%	97.86%	MHDC (Missouri Housing Development Commission)	1.37	$451,847	$--	$695,324	$--	$695,324	HUD;	$396,326	$--	$29,019	$29,592	$--	$78,134
Martin Farrell House	95.67%	96.09%	100.22%	98.92%	Citibank	N/A	-$344,412	$5,545,522	$2,825,698	$839,765	$1,985,933	Illinois Housing Development Authority (IHDA);	$--	$--	$85,846	$--	$484,703	$--
Mattie Butler Apartments (formerly JBL Wecan)	82.47%	99.15%	84.64%	104.93%	Associated Bank	-5.07	$--	$--	$9,696,480	$2,404,310	$7,292,170	City of Chicago;	$47,700	$--	$75,833	$--	$838,454	$40,842
Meadowbrook Apartments	95.41%	98.62%	97.49%	103.85%	MHFA (Mass Housing Finance Agency)	1.02	$10,034,912	$--	$11,430,288	$210,180	$11,220,108	CEDAC (Community Economic Development Assistance Corporation); DHCD (MA Dept. of Housing and Community Development);	$1,030,458	$--	$230,500	$136,080	$--	$609,488
Melpet Farm Residences	98.31%	96.65%	98.90%	101.23%	Bank of America	2.85	$964,551	$--	$3,445,625	$275,969	$3,169,656	Cape Cod Commission; CEDAC (Community Economic Development Assistance Corporation); DHCD (MA Dept. of Housing and Community Development); HAC (Housing Assistance Corporation); MHFA (Mass Housing Finance Agency);	$97,951	$398,707	$52,601	$12,307	$131,009	$68,468
Middletowne Apartments	98.19%	97.52%	99.77%	100.04%	CBRE	1.59	$4,834,802	$--	$338,540	$338,540	$		$487,721	$--	$153,687	$45,434	$--	$264,716
Monroe Estates	98.21%	95.89%	99.82%	99.91%	MHDC (Missouri Housing Development Commission)	2.63	$291,829	$--	$1,495,611	$--	$1,495,611	HUD;	$106,193	$--	$32,064	$31,812	$--	$43,144
Navarre Garrone	96.57%	93.18%	97.33%	99.28%	KeyBank National Association	1.26	$1,035,719	$--	$1,915,909	$--	$1,915,909	City of Cincinnati; Ohio Housing Finance Agency;	$243,023	$85,501	$71,151	$29,590	$--	$98,474

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
New Horizons Apartments	Miami, FL	Senior / 100% Affordable / 4% LIHTC	100	100	--	100	100	100	--	--	1983	2011	60% AMI;80% AMI;	$5,593	8%								
Newberry Park Apartments	Chicago, IL	Family / Mixed / 4% LIHTC	84	84	--	84	63	30	27	27	1994	2016	30% AMI;50% AMI;60% AMI;80% AMI;	$5,506	9%	X	X		X		X	5	
North Rhine Heights	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	66	65	--	65	65	65	--	--	1860-1900	2012	50% AMI;60% AMI;80% AMI;	$32,616	43%								
Old Middletown High School Apartments	Middletown, CT	Senior / 100% Affordable / 4% LIHTC	65	65	--	65	65	65	--	--	1893	2015	60% AMI;80% AMI;	$14,622	26%	X	X					6	
OTR Revitalization (Temporary GP)	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	94	94	--	94	94	94	--	--	1870-1900	2005	35% AMI;50% AMI;60% AMI;	$20,629	29%								
Oxford Place & Gardens	Providence, RI	Senior/Family / 100% Affordable / 4% LIHTC	128	128	--	128	121	78	26	24	Place - 1978; Gardens - 1989	2018	50% AMI;60% AMI;80% AMI;120% AMI;	$16,729	26%	X	X	X	X		X	10	EGC
Pendleton Estates	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	42	42	--	42	42	42	--	--	1865-1906	2012	35% AMI;50% AMI;60% AMI;80% AMI;	$8,922	13%								
Pocasset Manor	Providence, RI	Senior / 100% Affordable / 4% LIHTC	82	82	--	82	82	82	--	--	1982	2007	60% AMI;80% AMI;	$13,745	19%	X		X			X	5	
Prairie Plains Apartments	Lamar, MO	Family / 100% Affordable / 4% LIHTC	50	50	--	50	50	50	--	--	1981	2002	60% AMI;	$18,038	24%		X					1	
Renaissance Apartments	Chicago, IL	Family / 100% Affordable / 4% LIHTC	117	117	--	117	115	37	19	61	1911	2012	50% AMI;60% AMI;	$17,884	21%	X	X				X	4	

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
New Horizons Apartments	99.89%	98.13%	99.53%	98.42%	Florida Housing Finance Corporation	2.03	$2,535,977	$--	$4,927,817	$4,552,008	$375,809	Enterprise;	$388,950	$387,757	$125,137	$59,818	$23,486	$187,771
Newberry Park Apartments	98.55%	98.83%	99.22%	98.35%	Low Income Investment Fund	1.12	$5,225,860	$--	$10,093,491	$753,637	$9,339,854	City of Chicago; Illinois Housing Development Authority (IHDA);	$113,720	$270,929	$408,420	$33,600	$130,674	$322,599
North Rhine Heights	95.64%	92.57%	98.11%	93.16%	KeyBank National Association	-1.6	$744,216	$--	$1,990,820	$50,000	$1,940,820	City of Cincinnati;	$110,342	$297,899	$45,433	$27,168	$--	$61,238
Old Middletown High School Apartments	98.42%	98.96%	99.87%	99.67%	Connecticut Housing Finance Authority	2.06	$2,461,683	$--	$6,781,512	$1,440,313	$5,341,199	Connecticut Department of Housing;	$205,525	$460,098	$117,888	$26,616	$--	$133,607
OTR Revitalization (Temporary GP)	95.03%	96.44%	98.28%	95.89%	U.S. Bank National Association	0.62	$1,202,790	$--	$3,431,850	$--	$3,431,850	City of Cincinnati; Over-the-Rhine Community Housing;	$435,063	$50,044	$84,731	$55,375	$--	$175,453
Oxford Place & Gardens	98.45%	98.53%	100.02%	99.35%	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company)	1.05	$2,909,861	$--	$15,124,302	$3,213,530	$11,910,772	Peoples Redevelopment Corporation; RIH (Rhode Island Housing);	$618,408	$429,265	$174,949	$48,693	$25	$193,157
Pendleton Estates	93.79%	91.67%	98.12%	98.88%	U.S. Bank National Association	0.14	$760,147	$--	$1,507,256	$--	$1,507,256	Miami Purchase Preservation Fund;	$170,577	$99,455	$52,871	$24,505	$--	$92,806
Pocasset Manor	99.11%	98.48%	99.79%	100.01%	RIH (Rhode Island Housing)	1.47	$4,611,118	$--	$4,964,149	$4,854,658	$109,491	RIH (Rhode Island Housing);	$211,884	$502,506	$102,843	$43,008	$325,654	$351,275
Prairie Plains Apartments	99.37%	97.27%	99.63%	99.25%	MHDC (Missouri Housing Development Commission)	-0.42	$134,299	$--	$1,119,817	$--	$1,119,817	HUD;	$72,243	$--	$39,280	$23,208	$--	$22,421
Renaissance Apartments	94.98%	96.27%	99.38%	96.33%	Enterprise	1.43	$7,460,779	$--	$1,477,284	$344,385	$1,132,899	City of Chicago;	$100,216	$133,196	$155,004	$46,800	$515,189	$268,422

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

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Riverview Apartments	Dover, NH	Family / 100% Market / N/A LIHTC	24	24	24	--	--	--	--	24	1980	2008	No restrictions	No Data	No Data	X	X					4	
Rock Harbor Village	Orleans, MA	Senior / 100% Affordable / 4% LIHTC	100	100	--	100	97	100	--	--	1978	2012	30% AMI;50% AMI;60% AMI;80% AMI;	$11,263	17%	X	X				X	5	
Salem Heights Apartments (LIHTC Phase II)	Salem, MA	Family / 100% Affordable / 4% LIHTC	281	281	--	281	274	72	77	132	1973	2021	30% AMI;50% AMI;60% AMI;80% AMI;120% AMI;	$28,862	27%	X	X		X			9	Passive House (to be certified)
South Chicago Salud Center & Senior Housing	Chicago, IL	Senior / 100% Affordable / 4% LIHTC	101	101	--	101	101	101	--	--	1924/1979	2021	50% AMI;60% AMI;80% AMI;120% AMI;	$14,048	21%	X	X				X	1	EGC (not certified)
South Suburban Senior Housing (YMCA Chicago Buy & Hold Property)	Harvey, IL	Senior / 100% Affordable / N/A LIHTC	120	120	--	120	--	120	--	--	1946	1982	30% AMI;50% AMI;	$23,087	30%						X	1	
Sugar River Mills	Claremont, NH	Senior/Family / 100% Affordable / 4% LIHTC	162	162	--	162	158	162	--	--	1981	2011	50% AMI;60% AMI;	$17,535	26%	X				X		3	
Sunnyside Kenmore (CCDC)	Chicago, IL	Family / 100% Affordable / N/A LIHTC	26	26	--	26	--	10	6	10	1930 (sunnyside), 1913 (kenmore)	2009	60% AMI;80% AMI;	$20,449	33%						X	1	
Temple Landing	New Bedford, MA	Family / 100% Affordable / 9% LIHTC	173	173	--	173	157	--	84	89	1974	2011	30% AMI;50% AMI;60% AMI;80% AMI;	$13,791	21%	X	X				X	3	
Terrapin Ridge	Sandwich, MA	Family / 100% Affordable / 9% LIHTC	30	30	--	30	30	--	7	23	2021	2021	30% AMI;50% AMI;60% AMI;	$23,087	30%				X			1	
Terri Manor	Cincinnati, OH	Family / 100% Affordable / 4% LIHTC	81	76	--	76	76	76	--	--	1880-1900	2003	35% AMI;50% AMI;60% AMI;	$10,343	16%								

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
Riverview Apartments	99.10%	96.88%	100.10%	99.53%	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company)	3.4	$1,288,509	$--	$--	$--	$--	Silicon Valley Bank (f/k/a Boston Private Bank & Trust Company);	$46,279	$--	$--	$12,000	$--	$58,424
Rock Harbor Village	97.68%	99.31%	100.05%	99.16%	MHFA (Mass Housing Finance Agency)	2.19	$5,998,263	$--	$6,398,374	$6,241,878	$156,496	Barnstable County;	$423,763	$342,112	$357,616	$73,932	$--	$482,360
Salem Heights Apartments (LIHTC Phase II)	97.38%	88.92%	98.31%	105.86%	None	1.26	$55,947,556	$23,199,568	$31,717,311	$24,494,166	$7,223,145	CEDAC (Community Economic Development Assistance Corporation); DHCD (MA Dept. of Housing and Community Development); MHP (Massachusetts Housing Partnership);	$--	$--	$380,097	$--	$57,062,060	$737,343
South Chicago Salud Center & Senior Housing	96.86%	93.75%	99.75%	99.22%	Allianz Life Insurance Company of North America	4.44	-$657,595	$18,021,141	$7,712,805	$2,265,830	$5,446,975	City of Chicago, IL; Claretian Associates; Illinois Housing Development Authority (IHDA);	$71,614	$--	$492,936	$11,006	$1,953,435	$134,490
South Suburban Senior Housing (YMCA Chicago Buy & Hold Property)	98.60%	96.97%	99.29%	97.11%	Low Income Investment Fund	1.36	$11,104,505	$--	$671,095	$668,943	$2,152		$117,913	$--	$551,074	$66,104	$--	$587,754
Sugar River Mills	96.99%	97.76%	97.78%	104.13%	New Hampshire Housing Finance Authority	2.05	$5,372,546	$--	$2,844,350	$2,594,095	$250,255	New Hampshire Housing Finance Authority;	$166,956	$850,894	$271,107	$79,371	$--	$349,971
Sunnyside Kenmore (CCDC)	99.10%	96.01%	90.03%	101.49%	Illinois Housing Development Authority (IHDA)	0.83	$921,496	$--	$5,941,039	$--	$5,941,039	City of Chicago; Voice of the People in Uptown;	$43,390	$181,534	$44,046	$9,159	$4,413	$54,194
Temple Landing	98.95%	98.33%	98.99%	98.85%	MHFA (Mass Housing Finance Agency)	0.84	$1,772,881	$--	$13,867,211	$8,620,034	$5,247,177	City of New Bedford; DHCD (MA Dept. of Housing and Community Development); MHFA (Mass Housing Finance Agency);	$735,596	$770,194	$209,016	$83,408	$127,291	$178,351
Terrapin Ridge	No Data	96.00%	No Data	83.01%	None	N/A	-$85,653	$8,619,342	$5,803,653	$--	$5,803,653		$--	$--	$--	$--	$--	$--
Terri Manor	95.19%	92.97%	99.06%	93.01%	Hope of Kentucky, LLC	-1.43	$871,358	$--	$4,499,766	$1,261,179	$3,238,587		$447,450	$94,428	$63,322	$53,184	$--	$85,630

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Environmental and Social Characteristics

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The Blackstone Apartments	Boston, MA	Senior / 100% Affordable / 4% LIHTC	145	145	--	145	140	145	--	--	1978	2013	30% AMI;50% AMI;60% AMI;	$37,520	48%	X	X	X			X	10	
The Burnham at Woodlawn Park	Chicago, IL	Senior / 100% Affordable / 9% LIHTC	65	65	--	65	65	65	--	--	2015	2015	50% AMI;60% AMI;80% AMI;	$17,663	19%				X	X	X	5	LEED
The Grant at Woodlawn Park	Chicago, IL	Family / Mixed / 9% LIHTC	33	33	4	29	29	29	--	4	2013	2013	30% AMI;50% AMI;60% AMI;	$21,191	22%					X		3	LEED
The Jackson at Woodlawn Park	Chicago, IL	Family / Mixed / 9% LIHTC	67	67	7	60	60	60	2	5	2011	2011	30% AMI;50% AMI;60% AMI;	$27,541	26%					X	X	3	LEED
The Washington at Woodlawn Park	Chicago, IL	Family / Mixed / 4% LIHTC	196	196	48	148	145	121	20	55	Various -1890-1920	2018	50% AMI;60% AMI;80% AMI;120% AMI;	$12,523	24%	X				X	X	4	
Torrey Woods	Weymouth, MA	Family / 100% Affordable / TCX LIHTC	20	20	--	20	20	5	3	12	2011	2011	30% AMI;50% AMI;60% AMI;	$13,969	28%					X		2	
Torringford West Apartments	Torrington, CT	Senior / 100% Affordable / 4% LIHTC	79	79	--	79	78	79	--	--	1983	2014	50% AMI;60% AMI;	$12,876	21%	X	X					5	
Trianon Lofts	Chicago, IL	Family / Mixed / N/A LIHTC	25	24	12	12	--	--	--	24	2017	2017	50% AMI;80% AMI;120% AMI;	No Data	No Data								
Tribune Apartments	Framingham, MA	Senior / 100% Affordable / 4% LIHTC	53	53	--	53	53	53	--	--	1983	2017	30% AMI;50% AMI;60% AMI;80% AMI;	$12,446	21%	X	X	X		X		13	
Trinity Towers East	Melbourne, FL	Senior / 100% Affordable / 4% LIHTC	156	156	--	156	133	106	--	50	1969	2017	35% AMI;50% AMI;60% AMI;80% AMI;	$13,089	20%	X	X					4	

Portfolio Metrics

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The Blackstone Apartments	99.11%	97.85%	100.10%	99.66%	MHFA (Mass Housing Finance Agency)	1.61	$28,718,205	$--	$15,819,418	$15,771,318	$48,100		$359,321	$1,375,323	$3,031,956	$74,575	$--	$2,260,793
The Burnham at Woodlawn Park	98.37%	97.75%	99.53%	98.07%	IFF	0.95	$898,692	$--	$8,986,788	$6,186,788	$2,800,000	City of Chicago;	$117,278	$281,445	$214,441	$25,926	$--	$74,864
The Grant at Woodlawn Park	98.35%	97.55%	102.36%	95.81%	Citibank	0.69	$526,413	$--	$1,533,120	$347,179	$1,185,941	City of Chicago;	$95,392	$160,838	$168,020	$12,243	$75,021	$45,568
The Jackson at Woodlawn Park	97.73%	96.64%	99.76%	97.87%	Enterprise	1.23	$2,706,416	$--	$4,405,400	$407,979	$3,997,421	City of Chicago; Illinois Housing Development Authority (IHDA);	$189,309	$314,974	$263,290	$22,620	$--	$167,699
The Washington at Woodlawn Park	91.94%	96.10%	86.13%	134.39%	Citibank	0.52	$10,279,505	$--	$4,136,700	$2,093,187	$2,043,513	City of Chicago;	$484,881	$616,478	$787,143	$107,800	$--	$627,960
Torrey Woods	97.72%	97.50%	94.87%	106.51%	MHP (Massachusetts Housing Partnership)	0.78	$559,375	$--	$2,295,613	$55,595	$2,240,018	DHCD (MA Dept. of Housing and Community Development); MHP (Massachusetts Housing Partnership); Town of Weymouth;	$68,141	$133,183	$17,115	$10,144	$--	$55,713
Torringford West Apartments	98.37%	97.21%	100.00%	99.90%	Connecticut Housing Finance Authority	1.59	$3,325,824	$--	$2,712,804	$--	$2,712,804	Connecticut Department of Housing;	$183,309	$591,433	$105,651	$34,649	$12,024	$223,542
Trianon Lofts	97.20%	95.51%	97.42%	99.24%	BMO Harris Bank	0.51	$63,387	$--	$5,156,052	$--	$5,156,052	City of Chicago;	$93,398	$--	$96,025	$8,734	$--	$253,200
Tribune Apartments	96.36%	96.70%	99.72%	99.85%	MHFA (Mass Housing Finance Agency)	2.05	$5,247,182	$--	$5,531,673	$2,345,077	$3,186,596	DHCD (MA Dept. of Housing and Community Development);	$215,152	$451,380	$181,768	$40,048	$--	$319,762
Trinity Towers East	96.89%	97.99%	99.95%	99.90%	Citibank	2	$4,108,636	$--	$9,612,066	$3,822,414	$5,789,652	Florida Housing Finance Corporation;	$280,106	$332,081	$101,011	$120,900	$2,481	$280,528

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Trinity Towers South	Melbourne, FL	Senior / 100% Affordable / 4% LIHTC	162	162	--	162	160	162	--	--	1982	2017	50% AMI;60% AMI;80% AMI;	$12,779	19%	X	X					5	
Trinity Towers West	Melbourne, FL	Senior / 100% Affordable / 9% LIHTC	192	192	--	192	183	156	--	36	1971	2016	35% AMI;50% AMI;60% AMI;80% AMI;	$17,826	28%	X	X					1	
Uptown Preservation Apartments (Buy & Hold)	Chicago, IL	Family / 100% Affordable / 4% LIHTC	77	77	--	77	77	--	35	42	1912 (Clifton), 1929 (Wilson), 1911 (Windsor),	2007	60% AMI;80% AMI;	$13,864	27%								
Villas of the Valley (Temporary GP)	Lincoln Heights, OH	Senior / 100% Affordable / 9% LIHTC	42	42	--	42	42	25	2	15	2011	2010	35% AMI;50% AMI;60% AMI;80% AMI;	$16,308	25%								
Villas of the Valley II (Temporary GP)	Lincoln Heights, OH	Family / 100% Affordable / 9% LIHTC	35	35	--	35	35	5	12	18	2011	2011	35% AMI;50% AMI;60% AMI;	$34,576	45%								
Walnut Grove (Buy & Hold)	Blacklick, OH	Family / Mixed / 9% LIHTC	176	175	52	123	123	53	52	70	2003	2003	30% AMI;35% AMI;50% AMI;60% AMI;	$17,612	24%								
Washington Gardens	Hagerstown, MD	Family / 100% Affordable / 4% LIHTC	100	100	--	100	99	100	--	--	1982	2006	50% AMI;60% AMI;	$10,616	14%								
Washington Park (Buy & Hold)	Cincinnati, OH	Family / 100% Affordable / 4% LIHTC	37	37	--	37	37	37	--	--	1883 and 1905	2006	35% AMI;50% AMI;60% AMI;80% AMI;	$8,754	13%								
Water's Edge Apartments	Narragansett, RI	Family / 100% Affordable / 4% LIHTC	32	32	--	32	32	32	--	--	1968	2006	50% AMI;60% AMI;	$32,184	39%								
Wesley Estates	Cincinnati, OH	Family / 100% Affordable / 9% LIHTC	30	29	--	29	29	29	--	--	1900	2006	35% AMI;50% AMI;60% AMI;80% AMI;	$15,509	20%								

Portfolio Metrics

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Trinity Towers South	98.31%	99.58%	100.02%	99.95%	Citibank	2.27	$4,923,850	$--	$2,877,726	$2,097,713	$780,013	Florida Housing Finance Corporation;	$172,958	$454,673	$96,996	$48,600	$98	$332,616
Trinity Towers West	99.06%	98.77%	100.00%	99.86%	Citibank	2.39	$5,506,883	$--	$2,403,297	$500,000	$1,903,297	Trinity Towers, Inc.;	$332,330	$510,440	$322,899	$86,400	$--	$372,987
Uptown Preservation Apartments (Buy & Hold)	95.11%	93.51%	93.50%	95.25%	Bank of America	1.39	$2,208,832	$--	$12,030,338	$--	$12,030,338	City of Chicago; Voice of the People in Uptown;	$54,599	$423	$29,406	$39,759	$61,774	$131,400
Villas of the Valley (Temporary GP)	96.72%	98.90%	99.68%	90.02%	Hamilton County, OH	N/A	$--	$--	$2,799,528	$--	$2,799,528	Hamilton County, OH; Ohio Housing Finance Agency;	$159,831	$236,245	$43,036	$17,288	$--	$--
Villas of the Valley II (Temporary GP)	97.78%	96.81%	86.47%	115.57%	Ohio Housing Finance Agency	N/A	$--	$--	$2,009,052	$--	$2,009,052	Hamilton County, OH; Ohio Housing Finance Agency;	$128,761	$194,042	$36,897	$13,988	$--	$--
Walnut Grove (Buy & Hold)	95.02%	94.58%	98.22%	99.84%	Citibank	3.21	$6,346,809	$--	$5,903,148	$3,670,880	$2,232,268	City of Columbus; National Affordable Housing Trust (NAHT);	$146,673	$--	$819,199	$64,237	$5,042	$177,054
Washington Gardens	97.04%	98.50%	99.06%	96.03%	Maryland DHCD (Department of Housing and Community Development)	1.37	$1,623,159	$--	$5,398,058	$5,116,361	$281,697	Maryland Appalachian Housing Fund;	$20,826	$21,533	$89,154	$37,500	$230,672	$189,373
Washington Park (Buy & Hold)	No Data	91.89%	No Data	75.88%	None	N/A	$--	$--	$2,526,235	$--	$2,526,235		$--	$--	$--	$--	$--	$--
Water's Edge Apartments	98.74%	96.51%	99.59%	100.70%	RIH (Rhode Island Housing)	1.08	$1,783,287	$--	$3,393,642	$252,797	$3,140,845	RIH (Rhode Island Housing);	$209,731	$215,583	$34,092	$15,650	$65,357	$147,184
Wesley Estates	95.94%	88.73%	97.36%	94.00%	U.S. Bank National Association	-0.67	$369,181	$--	$1,414,829	$896,965	$517,864	Asbury Managers; Miami Purchase Preservation Fund;	$116,849	$50,119	$25,873	$17,595	$--	$48,606

EXHIBIT B – OWNED REAL ESTATE PORTFOLIO AS OF DECEMBER 31, 2021

Environmental and Social Characteristics

Property Name	City	Type of Property (Tenancy / Affordable, Market or Mixed / LIHTC Type)	Total Units	Residential Units	Market Units	Affordable Units	LIHTC Units	PBRA Units	Tenant Based Voucher Units	Total Unsubsidized Units	Year Built	Year Last Rehabbed	Rent Levels (% of AMI)	Average Household Income	Average Household % of AMI	Energy Retrofits	Water Retrofits	Building Automation / Smart Devices	Solar PV	Solar Thermal	Community Solar Subscription	Count of Sustainability Projects	Green Building Designations
WH MainStrasse	Covington, KY	Family / 100% Affordable / 9% LIHTC	41	41	--	41	41	40	1	--	1900	2017	50% AMI;	$12,341	19%								
Wing Schoolhouse Apartments (Recap)	Elgin, IL	Family / 100% Affordable / 9% LIHTC	27	27	--	27	25	27	--	--	1899	2021	30% AMI;50% AMI;60% AMI;80% AMI;120% AMI;	$9,473	14%								
Woodlawn Station	Chicago, IL	Family / Mixed / 9% LIHTC	70	70	15	55	20	35	3	32	2018	2018	30% AMI;50% AMI;60% AMI;	$22,197	31%					X			EGC
Woodlen Place Apartments	Kansas City, MO	Family / 100% Affordable / 4% LIHTC	60	60	--	60	60	60	--	--	1981	2004	50% AMI;60% AMI;	$11,444	15%								
Total			**12,325**	**12,276**	**454**	**11,822**	**9,925**	**9,267**	**576**	**1,208**													

Portfolio Metrics

Property Name	Physical Occupancy Avg (%) 2017-2020	Physical Occupancy (%) - CY 2021	Rent collected (% of gross rents) - Avg 2017-2020	Rent collected (% of gross rents) - CY 2021	Permanent Lender	YTD DSCR	Outstanding HARD DEBT Loan Balance - YTD 2021 ($)	Outstanding CONSTRUCTION Debt Balance - CY 2021 ($)	Outstanding SOFT DEBT Balance - YTD 2021 ($)	Outstanding POAH HELD Soft Debt - YTD 2021 ($)	Outstanding NON POAH Held Soft Debt - YTD 2021 ($)	Non POAH Soft Lenders	Replacement Reserve Balance - 2021	Operating Reserve Balance - 2021	Other Reserve Balance - 2021	Construction & Debt Service Reserve Balance - 2021	2021 Reserve Deposits	Annual Debt Service 2021 YTD ($)
WH MainStrasse	96.32%	98.45%	97.98%	99.80%	RiverHills Bank	1.01	$1,640,929	$--	$153,344	$122,746	$30,598	Main Strasse Holding, LLC;	$83,364	$158,416	$45,285	$15,421	$--	$121,560
Wing Schoolhouse Apartments (Recap)	99.11%	96.94%	98.78%	98.81%	None	5.45	$--	$1,460,040	$86,121	$--	$86,121		$--	$--	$--	$10,125	$--	$37,420
Woodlawn Station	93.06%	97.12%	93.44%	89.89%	BMO Harris Bank	1.39	$2,956,505	$--	$14,337,494	$9,335,245	$5,002,249	City of Chicago;	$89,258	$298,245	$189,454	$29,164	$--	$213,829
Woodlen Place Apartments	97.84%	97.79%	96.45%	104.47%	MHDC (Missouri Housing Development Commission)	1.22	$794,671	$--	$1,298,330	$1,297,405	$925		$63,597	$74,007	$28,827	$29,078	$--	$98,021
Total, Net of Temporary General Partnership, Not Consolidated							**$603,502,696**	**$121,887,765**	**$591,399,132**	**$295,417,524**	**$295,981,608**		**$28,246,968**	**$30,427,999**	**$30,593,380**	**$72,533,053**	**$5,223,561**	**$37,089,620**
Properties in New Construction							**$149,131,491**	**$27,243,726**	**$7,952,235**	**$222,500**	**$7,729,735**							
Total Debt							**$752,634,187**	**$149,131,491**	**$599,351,367**	**$295,640,024**	**$303,711,343**							

EXHIBIT C – DEVELOPMENT PIPELINE AS OF DECEMBER 31, 2021

EXHIBIT C - DEVELOPMENT PIPELINE AS OF DECEMBER 31, 2021

Property Name	City, State	State	Type of Property	New / Existing	Managed By	Owned By	Year Acquired / Construction Start	Units	Affordable Units	Unrestricted Units	Average Household Income	Average Household % of AMI	Planned Green Building Standards	Total Development Cost	Future Debt Amount ($)	Future Hard Debt Amount ($)	Equity Estimate	Major Source of Financings	Lender	Developer	Future Cash Flow	Purpose
Acquisition / Construction Projects																						
49 6th Street / Sacred Heart	Cambridge, MA	MA	LIHTC / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	46	46	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	EGC	$ 36,811,902	$ 17,388,821	$ 1,548,942	$ 19,423,082	4% LIHTC, federal & state HTC, state & local gap financing	TBD	POAH + Partner	$ 6,940	Adaptive reuse of existing church property for affordable housing
Barry Farm - Phase 1 Parcel 1A	Washington, DC	DC	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2022	139	139	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 67,725,067	$ 38,961,923	$ 14,472,102	$ 28,763,144	4% LIHTC, local gap financing	DCHFA	POAH	$ 156,147	1-for-1 replacement of distressed public housing within new mixed-income community
Barry Farm - Phase 1 Parcel 1B	Washington, DC	DC	LIHTC / PBV / mixed income senior housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2022	108	108	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 48,166,058	$ 26,220,624	$ 12,008,818	$ 21,945,434	4% LIHTC, local gap financing	DCHFA	POAH	$ 202,311	1-for-1 replacement of distressed public housing within new mixed-income community
Barry Farm - Phase 1 Parcel 2	Washington, DC	DC	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	226	191	35	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 84,404,478	$ 46,346,062	$ 14,526,360	$ 38,058,416	4% LIHTC, local gap financing	DCHFA	POAH	$ 179,814	1-for-1 replacement of distressed public housing within new mixed-income community
The Kenzi	Boston, MA	MA	LIHTC / PBV / mixed income senior housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2021 / 2021	50	44	6	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 28,104,617	$ 12,983,519	$ 5,200,718	$ 15,121,098	4% LIHTC, state LIHTC, state and local and private gap financing	MassHousing	POAH + Nuestra Communidad	$ 35,393	Creation of new affordable housing in revitalizing urban community
Brewster Woods	Brewster, MA	MA	LIHTC / PBV / mixed income senior & family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2021 / 2021	30	29	1	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 13,580,266	$ 6,144,662	$ 2,417,800	$ 7,435,604	9% LIHTC, state and local gap financing	Mass Housing Partnership	POAH + Partner	$ 27,613	Creation of new affordable housing in high cost community
C40 Garfield Green	Chicago, IL	IL	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2022	43	32	11	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 25,243,615	$ 15,636,000	$ 525,000	$ 9,607,615	4% LIHTC, local gap financing	TBD	POAH + Partner	$ 16,818	Creation of new affordable housing in revitalizing urban community
Cape View Way	Bourne, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	42	42	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 19,786,827	$ 11,177,202	$ 4,677,202	$ 8,609,624	9% LIHTC, state and local gap financing	TBD	POAH + Partner	$ 28,364	Creation of new affordable housing in high cost community
Clarendon Hill - Building E	Somerville, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2022	168	168	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	LEED Platinum	$ 100,439,000	$ 55,330,000	$ 23,188,000	$ 45,109,000	4% LIHTC, state and local and private gap financing	MassHousing	POAH + Somerville Community Corporation + Redgate	$ 118,209	1-for-1 replacement of distressed public housing within new mixed-income community
Clarendon Hills - Building D and Townhouses	Somerville, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2024 / 2024	92	92	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	LEED Platinum	$ 60,171,000	$ 29,106,000	$ 11,860,192	$ 31,065,000	4% LIHTC, state and local and private gap financing	MassHousing	POAH + Somerville Community Corporation + Redgate	$ 29,600	1-for-1 replacement of distressed public housing within new mixed-income community
Columbia Commons	Boston, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	63	63	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	LEED	$ 45,039,130	$ 22,734,923	$ 6,505,115	$ 22,304,207	4% LIHTC, state LIHTC, state and local gap financing	TBD	POAH + Dorchester Bay EDC	$ 81,138	Creation of new affordable housing in revitalizing urban community
Cutler Manor (II)	Miami, FL	FL	LIHTC / PBRA / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2022	113	113	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	NGBS	$ 36,960,131	$ 21,242,225	$ 13,678,610	$ 15,717,906	4% LIHTC, state and local gap financing	TBD	POAH	$ 140,020	Creation of replacement and new housing in a high cost market
LeClair Village	Mashpee, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2022	39	39	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 16,256,823	$ 3,723,300	$ 2,423,300	$ 12,533,522	4% LIHTC, state LIHTC, state and local gap financing	MassHousing	POAH + HAC	$ 29,500	Creation of new affordable housing in high cost community
Mattapan Station	Boston, MA	MA	Mixed-income housing and community retail space	New Construction	POAH Communities	POAH-controlled LIHTC limited partnerships (2)	2020 / 2020	135	135	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS, LEED	$ 73,234,000	$ 33,329,000	$ 17,453,000	$ 39,905,000	4% and 9% and state LIHTC, state and local gap financing	MassHousing	POAH + Nuestra Communidad	$ 128,758	Creation of new affordable housing & retail in revitalizing urban community
Scarborough Downs (3i)	Scarborough, ME	ME	LIHTC / PBV / supportive housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	44	44	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 12,715,717	$ 8,767,512	$ 4,799,512	$ 3,948,204	4% LIHTC, state gap financing	Maine SHA	POAH + 3i Housing	$ 39,596	Creation of new affordable supportive housing in high cost community
Southpoint Crossing	Florida City, FL	FL	LIHTC family housing	Acquisition	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2023	123	123	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	EGC (certifiable)	$ 21,438,738	$ 13,178,968	$ 4,968,841	$ 8,259,769	4% LIHTC, state and local gap financing	Florida Housing Finance Corp	POAH	$ 264,234	Acquisition, renovation and extension of affordability protections for existing affordable housing
The Freelon at Sugar Hill	Detroit, MI	MI	Mixed-income housing and community retail space	New Construction	POAH Communities	POAH-controlled NMTC QLICB entity	2020 / 2020	68	20	48	*N/A (not yet occupied)*	*N/A (not yet occupied)*	EGC	$ 37,289,950	$ 25,854,179	$ 10,696,930	$ 11,435,771	NMTC, state and local gap financing	PNC	POAH + Develop Detroit	$ 43,592	Creation of new affordable housing & retail in revitalizing urban community
Temple Landing Vacant Land	New Bedford, MA	MA	LIHTC / PBV senior housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2010 / 2023	26	26	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 11,100,568	$ 3,932,127	$ 726,755	$ 7,168,441	9% LIHTC, state and local gap financing	TBD	POAH	$ 3,647	Creation of new affordable housing in revitalizing urban community
Wellfleet RFP	Wellfleet, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2023 / 2023	46	35	11	*N/A (not yet occupied)*	*N/A (not yet occupied)*	PHIUS	$ 20,158,013	$ 7,698,963	$ 3,398,963	$ 12,459,050	9% & state LIHTC, state and local gap financing	MassHousing	POAH + CDP	$ 28,496	Creation of new affordable housing in high cost community
Whittier Street - Phase 2	Boston, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnership	2020 / 2020	52	52	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	LEED ND, LEED (certifiable)	$ 34,704,358	$ 21,167,012	$ 15,923,000	$ 13,537,346	4% & state LIHTC, state and local gap financing	MassHousing	POAH + Madison Park Development Corporation	$ 101,490	1-for-1 replacement of distressed public housing within new mixed-income community
Whittier Street - Phase 3	Boston, MA	MA	LIHTC / PBV / mixed income family housing	New Construction	POAH Communities	POAH-controlled LIHTC limited partnerships (2)	2022 / 2022	172	130	42	*N/A (not yet occupied)*	*N/A (not yet occupied)*	LEED ND, LEED (certifiable)	$ 119,205,000	$ 55,060,000	$ 36,590,000	$ 64,145,000	4%, 9% & state LIHTC; state & local gap financing	TBD	POAH + Madison Park Development Corporation	$ 333,662	1-for-1 replacement of distressed public housing within new mixed-income community
Woodlawn Crossing	Chicago, IL	IL	Neighborhood retail / commercial	New Construction	POAH Communities	POAH-controlled NMTC QLICB entity	2017 / 2023	1	NA	NA	*N/A (not yet occupied)*	*N/A (not yet occupied)*	TBD	$ 26,599,000	$ 17,436,500	$ 3,036,387	$ 9,162,500	NMTC, state and local gap financing	TBD	POAH	$ 22,588	Creation of new commercial space in revitalizing urban community

APPENDIX A

Property Name	City, State	State	Type of Property	New / Existing	Managed By	Owned By	Year Acquired / Construction Start	Units	Affordable Units	Unrestricted Units	Average Household Income	Average Household % of AMI	Planned Green Building Standards	Total Development Cost	Future Debt Amount ($)	Future Hard Debt Amount ($)	Equity Estimate	Major Source of Financings	Lender	Developer	Future Cash Flow	Purpose
Planned Recapitalization / Renovation of Owned Properties																						
Archer Senior	Chicago, IL	IL	LIHTC / PBV senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2023	55	55	--	$ 19,880	31%	EGC certifiable	$ 11,801,548	$ 7,050,709	$ 750,000	$ 4,750,839	4% LIHTC, state and local gap financing	IHDA	POAH	$ 32,757	Renovation and extension of affordability protections for recently acquired affordable property
Beachwinds Apartments	Narragansett, RI	RI	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2004 / 2021	104	104	--	$ 13,303	14%	EGC certifiable	$ 35,136,428	$ 22,841,531	$ 10,750,000	$ 12,294,897	4% LIHTC	RI Housing	POAH	$ 361,184	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Burnham Manor	Elgin, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2022	100	100	--	$ 20,619	29%	EGC (certifiable)	$ 23,911,078	$ 15,841,908	$ 11,500,000	$ 8,069,171	4% LIHTC, state and local gap financing	IHDA	POAH	$ 153,946	Renovation and extension of affordability protections for recently acquired affordable property
Corcoran Place Apartments	Chicago, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2023	94	94	--	$ 38,471	37%	TBD	$ 21,080,947	$ 12,697,555	$ 4,659,210	$ 8,383,392	4% LIHTC, state and local gap financing	IHDA	POAH	$ 34,908	Renovation and extension of affordability protections for recently acquired affordable property
Cutler Manor Apartments	Miami, FL	FL	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2008 / 2023	220	218	2	$ 11,701	18%	NGBS	$ 79,029,908	$ 47,977,063	$ 34,394,319	$ 31,052,845	4% LIHTC, state and local gap financing	TBD	POAH	$ 244,250	Redevelopment of existing POAH-owned affordable housing as healthier mixed-income community
Deerfield Village Apartments	Carthage, MO	MO	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2000 / 2022	60	60	--	$ 27,767	23%	EGC (certifiable)	$ 13,769,000	$ 8,070,000	$ 2,780,000	$ 5,699,000	4% LIHTC, state LIHTC and gap financing	MHDC	POAH	$ 60,199	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Emil Jones Jr	Chicago, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2021	60	60	--	$ 13,961	21%	N/A	$ 11,634,126	$ 7,456,916	$ 1,750,000	$ 4,177,210	4% LIHTC	IHDA	POAH	$ 67,809	Renovation and extension of affordability protections for recently acquired affordable property
Fred C Matthews III	Chicago, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2021	60	60	--	$ 8,882	12%	N/A	$ 10,742,971	$ 6,659,525	$ 1,500,000	$ 4,083,445	4% LIHTC	IHDA	POAH	$ 144,894	Renovation and extension of affordability protections for recently acquired affordable property
Gardner Terrace I Makepeace	Attleboro, MA	MA	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2020 / 2022	92	92	--	$ 15,985	31%	TBD	$ 43,013,139	$ 14,196,480	$ 7,616,280	$ 28,816,659	4% LIHTC, state LIHTC, fed & state HTC; state gap financing	MassHousing	POAH	$ 83,947	Renovation and extension of affordability protections for recently acquired affordable property
Gardner Terrace II/HVM	Attleboro, MA	MA	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2020 / 2022	135	135	--	$ 15,985	31%	TBD	$ 60,222,000	$ 26,072,000	$ -	$ 34,150,000	4% LIHTC, state LIHTC, fed & state HTC; state gap financing	MassHousing	POAH	$ 212,508	Renovation and extension of affordability protections for recently acquired affordable property
Garfield Hills	Washington, DC	DC	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2004 / 2022	94	94	--	$ 18,091	19%	EGC (certifiable)	$ 21,589,435	$ 12,724,896	$ 3,294,914	$ 8,864,538	4% LIHTC, local gap financing	Walker & Dunlop	POAH	$ 216,540	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Hawthorne Place Apartments	Independence, MO	MO	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2002 / 2021	745	745	--	$ 35,519	48%	N/A	$ 89,647,976	$ 51,874,305	$ 21,357,584	$ 37,773,671	4% LIHTC	Boston Private Bank	POAH	$ 418,041	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Highland Acres & Meadows	Carthage, MO	MO	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2000 / 2023	79	79	--	$ 22,195	30%	EGC (certifiable)	$ 13,697,991	$ 9,699,180	$ 2,500,000	$ 3,998,811	4% LIHTC, state gap financing	MHDC	POAH	$ 98,350	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Island Terrace	Chicago, IL	IL	LIHTC / PBRA / mixed income family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnerships (2)	2021 / 2022	240	240	--	$ 8,704	13%	EGC (certifiable)	$ 69,472,000	$ 39,380,503	$ 28,250,000	$ 30,091,497	4% and 9% LIHTC, state and local gap financing	IHDA	POAH	$ 168,175	Renovation and extension of affordability protections for recently acquired affordable property
Jesse Jackson I & II	Harvey, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2023	120	120	--	$ 12,681	15%	EGC (certifiable)	$ 19,839,543	$ 11,150,363	$ 5,000,000	$ 8,689,180	4% LIHTC	IHDA	POAH	$ 106,967	Renovation and extension of affordability protections for recently acquired affordable property
Levy House	Chicago, IL	IL	LIHTC / PBV / mixed income senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2021 / 2022	57	57	--	$ 14,738	20%	EGC (certifiable)	$ 17,200,873	$ 10,552,844	$ 3,750,000	$ 6,648,029	4% LIHTC, local gap financing	TBD	POAH	$ 27,775	Renovation and extension of affordability protections for recently acquired affordable property
Martin Farrell House	Chicago, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2020	59	59	--	$ 21,951	28%	EGC checklist used in scoping process	$ 13,919,000	$ 9,839,981	$ 5,750,000	$ 4,079,019	4% LIHTC, state gap financing	Citi	POAH	$ 50,688	Renovation and extension of affordability protections for recently acquired affordable property
Meadowbrook Apartments	Northampton, MA	MA	LIHTC / PBV family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2005 / 2023	252	229	23	$ 19,598	26%	EGC (certifiable)	$ 89,681,153	$ 68,287,586	$ 11,143,899	$ 21,393,567	4% LIHTC, state and local gap financing	TBD	POAH	$ 120,237	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Salem Heights Apartments	Salem, MA	MA	LIHTC / PBV family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2003 / 2021	281	281	--	$ 28,862	27%	PHIUS certifiable	$ 114,907,888	$ 70,931,406	$ 32,100,000	$ 43,976,482	4% LIHTC	Mass Housing Partnership	POAH	$ 235,603	Renovation and extension of affordability protections for existing POAH-owned affordable housing
South Chicago Salud Center & Senior Housing	Chicago, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2020	101	101	--	$ 14,048	21%	EGC (certifiable)	$ 29,827,807	$ 18,567,981	$ 10,985,300	$ 11,259,826	4% LIHTC, state and local gap financing	IHDA	POAH + Claretian	$ 48,356	Renovation and extension of affordability protections for recently acquired affordable property
South Suburban YMCA	Harvey, IL	IL	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2022	120	120	--	$ 23,087	30%	EGC (certifiable)	$ 38,176,716	$ 22,410,414	$ 14,490,000	$ 15,766,302	4% LIHTC, state and local gap financing	IHDA	POAH	$ 73,187	Renovation and extension of affordability protections for recently acquired affordable property
Terrapin Ridge	Sandwich, MA	MA	LIHTC / PBV / mixed income family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2021 / 2020	30	30	--	$ 23,087	30%	N/A	$ 15,668,646	$ 8,585,612	$ 2,800,000	$ 7,083,034	9% LIHTC, state and local gap financing	Cape Cod Five	POAH	$ 17,986	Creation of new affordable housing in high cost community
Terri Manor	Cincinnati, OH	OH	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2018 / 2023	81	81	--	$ 10,343	16%	EGC (certifiable)	$ 12,748,249	$ 6,855,000	$ 2,200,000	$ 5,893,249	4% LIHTC, federal HTC, state & local gap financing	OHFA	POAH + The Model Group	$ 40,293	Renovation and extension of affordability protections for recently acquired affordable property
Walnut Grove	Blacklick, OH	OH	LIHTC / PBRA senior housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2023	176	176	--	$ 17,612	24%	EGC (certifiable)	$ 30,179,557	$ 23,185,048	$ 13,981,635	$ 6,994,509	4% LIHTC, local gap financing	TBD	POAH	$ 87,294	Renovation and extension of affordability protections for recently acquired affordable property
Washington Gardens	Hagerstown, MD	MD	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2005 / 2022	100	100	--	$ 10,616	14%	TBD	$ 16,183,897	$ 10,320,029	$ 2,500,000	$ 5,863,868	4% LIHTC, state gap financing	Merchants Capital	POAH	$ 75,437	Renovation and extension of affordability protections for existing POAH-owned affordable housing
Washington Park	Cincinnati, OH	OH	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2022 / 2023	37	37	--	*N/A (not yet occupied)*	*N/A (not yet occupied)*	TBD	$ 6,325,151	$ 3,576,881	$ 1,146,319	$ 2,748,270	4% LIHTC, state gap financing	OHFA	POAH	$ 8,528	Renovation and extension of affordability protections for recently acquired affordable property
Wing Schoolhouse	Elgin, IL	IL	LIHTC / PBRA family housing	POAH Owned	POAH Communities	POAH-controlled LIHTC limited partnership	2019 / 2021	27	27	--	$ 9,473	14%	EGC	$ 9,114,118	$ 3,290,386	$ 2,335,820	$ 5,823,732	4% LIHTC, state and local gap financing	IHDA	POAH	$ 21,044	Renovation and extension of affordability protections for recently acquired affordable property

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APPENDIX B-1

CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND 2019, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Financial Statements
(with Supplementary Information)
and Independent Auditor's Report
and Single Audit Report

December 31, 2020

CohnReznick
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Preservation of Affordable Housing, Inc. and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of certain Subsidiaries, which statements reflect total assets of $325,522,185 as of December 31, 2020 and total revenues of $49,477,867 for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiaries, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of certain Subsidiaries of Preservation of Affordable Housing, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CohnReznick

Opinion

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Preservation of Affordable Housing, Inc. and Subsidiaries as of December 31, 2020 and the results of their activities, changes in net assets, and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Preservation of Affordable Housing, Inc. and Subsidiaries' 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year end December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2020 supplementary information on pages 40 to 57 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and compliance.

CohnReznick LLP

Boston, Massachusetts
June 30, 2021

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Current assets		
Cash and cash equivalents	$ 54,847,515	$ 38,724,829
Restricted cash	3,285,278	1,999,611
Reserves	4,946,482	5,516,493
Restricted reserves	1,940,887	1,423,161
Accounts receivable		
Rental - tenants and subsidy	4,089,148	2,223,576
Grants receivable	1,515,000	262,300
Properties, net of allowance for doubtful accounts	407,918	977,440
Other	2,607,627	1,732,702
Escrow deposits	129,343,971	92,590,133
Tenant security deposits	4,188,732	3,868,614
Prepaid expenses	2,857,476	1,717,905
Predevelopment costs reimbursable, current	12,264,142	11,164,652
Total current assets	222,294,176	162,201,416
Other assets		
Notes receivable, net of discount	28,472,750	8,407,000
Investment in partnerships	1,305,610	1,327,160
Predevelopment costs reimbursable, net of current	2,615,895	3,593,298
Other assets	5,514,742	5,943,592
Total other assets	37,908,997	19,271,050
Fixed assets		
Land and buildings	1,246,825,979	1,142,339,771
Rehabilitation in progress	46,283,817	60,844,444
Furniture, equipment and leasehold improvements	22,800,524	19,564,539
Less: Accumulated depreciation	(248,426,915)	(216,752,897)
Total fixed assets	1,067,483,405	1,005,995,857
Total assets	$ 1,327,686,578	$ 1,187,468,323

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Liabilities		
Current liabilities		
Accounts payable	$ 9,295,536	$ 6,413,934
Accrued expenses	12,951,067	12,670,101
Accounts payable - development	17,169,804	14,945,791
Accrued interest	2,433,238	2,300,625
Mortgages payable - properties, current	51,911,404	8,682,497
Construction loans - properties, current	38,180,034	48,162,954
Loan payable, current	6,245,774	7,804,138
Line of credit, current	2,076,722	2,932,975
Deferred liabilities, current	32,419	13,294
Tenant security deposits	3,872,731	3,607,116
Prepaid revenue	1,817,863	1,432,141
Due to affiliates	367,678	1,144,252
Total current liabilities	146,354,270	110,109,818
Long-term liabilities		
Loans and notes payable, net of current	37,981,839	21,380,712
Line of credit, net of current	751,929	898,686
Accrued interest payable - notes payable	957,290	890,157
Notes payable and accrued interest - properties	312,383,151	255,699,728
Mortgages payable - properties, net of current	541,165,837	516,777,375
Interest rate swap	997,934	1,020,721
Deferred liabilities, net of current	421,913	256,425
Deferred income	11,790,184	12,792,770
Total long-term liabilities	906,450,077	809,716,574
Total liabilities	1,052,804,347	919,826,392
Net assets		
Net assets without donor restrictions controlling	44,465,265	50,353,846
Net assets without donor restrictions noncontrolling	222,764,498	211,655,485
Total net assets without donor restrictions	267,229,763	262,009,331
Net assets with donor restrictions	7,652,468	5,632,600
Total net assets	274,882,231	267,641,931
Total liabilities and net assets	$ 1,327,686,578	$ 1,187,468,323

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
Year ended December 31, 2020 (with summarized comparative totals for 2019)

	Net assets without donor restrictions	Net assets with donor restrictions	Total 2020	Total 2019
Support and revenue				
Rental income	$ 156,844,937	$ -	$ 156,844,937	$ 142,183,620
Grant income	633,943	2,701,125	3,335,068	1,234,087
Grant income, capital investments	151,581	-	151,581	603,592
Contribution income	-	25,000	25,000	14,055
Developer fee revenue	4,267,811	-	4,267,811	2,505,946
State tax credit proceeds	-	-	-	736,000
Property management and related fees	1,336,396	-	1,336,396	1,549,306
Reimbursable salaries and expenses	889,267	-	889,267	953,877
Loss on sale	-	-	-	(125,216)
Interest income	902,219	-	902,219	1,408,320
Loss on investment in partnership	(93,710)	-	(93,710)	(131,075)
Investment income	(1,781)	-	(1,781)	(9,253)
Other income	4,825,164	215,846	5,041,010	3,618,405
	169,755,827	2,941,971	172,697,798	154,541,664
Net assets released from restrictions	922,103	(922,103)	-	-
Total support and revenue	170,677,930	2,019,868	172,697,798	154,541,664
Expenses				
Personnel	17,477,030	-	17,477,030	16,417,943
Development expense	2,979,008	-	2,979,008	1,933,100
Professional services	1,191,234	-	1,191,234	1,356,788
Contributions and grants made	123,894	-	123,894	66,077
Rental	1,270,421	-	1,270,421	1,109,885
Taxes and insurance	441,849	-	441,849	463,117
Travel and lodging	313,760	-	313,760	919,619
Interest	1,856,114	-	1,856,114	1,503,758
Reimbursable salaries and expenses	889,267	-	889,267	953,877
Property operations	93,956,772	-	93,956,772	87,186,822
Property mortgage interest	39,652,610	-	39,652,610	36,527,913
Office and administration	1,236,011	-	1,236,011	1,482,168
Depreciation and amortization	31,786,108	-	31,786,108	27,774,925
Community impact	2,122,626	-	2,122,626	2,468,211
Bad debt expense	232,676	-	232,676	304,623
Miscellaneous	93,822	-	93,822	109,790
Total expenses	195,623,202	-	195,623,202	180,578,616
Excess of (expenses over revenue) revenue over expenses	(24,945,272)	2,019,868	(22,925,404)	(26,036,952)
Excess of expenses over revenue attributable to noncontrolling interests	(17,963,895)	-	(17,963,895)	(20,305,039)
Excess of (expenses over revenue) revenue over expenses attributable to the Company	$ (6,981,377)	$ 2,019,868	$ (4,961,509)	$ (5,731,913)

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses
Year ended December 31, 2020 (with summarized comparative totals for 2019)

	2020				2019
	Real estate ownership	Management and general	Fundraising	Total	Total
Personnel	$ 16,109,874	$ 1,300,968	$ 66,188	$ 17,477,030	$ 16,417,943
Development expense	2,979,008	-	-	2,979,008	1,933,100
Professional services	1,191,234	-	-	1,191,234	1,356,788
Contributions and grants made	123,894	-	-	123,894	66,077
Rental	1,171,041	94,569	4,811	1,270,421	1,109,885
Taxes and insurance	407,285	32,891	1,673	441,849	463,117
Travel and lodging	290,404	23,356	-	313,760	919,619
Interest	1,856,114	-	-	1,856,114	1,503,758
Reimbursable salaries and expenses	889,267	-	-	889,267	953,877
Property operations	93,956,772	-	-	93,956,772	87,186,822
Property mortgage interest	39,652,610	-	-	39,652,610	36,527,913
Office and administration	1,139,323	92,007	4,681	1,236,011	1,482,168
Depreciation and amortization	31,786,108	-	-	31,786,108	27,774,925
Community impact	2,052,312	-	70,314	2,122,626	2,468,211
Bad debt expense	232,676	-	-	232,676	304,623
Miscellaneous	86,483	6,984	355	93,822	109,790
	$ 193,924,405	$ 1,550,775	$ 148,022	$ 195,623,202	$ 180,578,616

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
Years ended December 31, 2020 and 2019

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2019	$ 53,222,916	$ 205,917,397	$ 259,140,313	$ 5,610,307	$ 264,750,620
Acquisition of ownership interest	12,390	-	12,390	-	12,390
Transfer of limited partnership interest to noncontrolling	531,258	(531,258)	-	-	-
Capital contributions from noncontrolling interests	-	27,031,545	27,031,545	-	27,031,545
Distributions to noncontrolling interests	-	(457,160)	(457,160)	-	(457,160)
Adjustment for change in accounting principle	2,341,488	-	2,341,488	-	2,341,488
Excess of expenses over revenue attributable to noncontrolling interests	-	(20,305,039)	(20,305,039)	-	(20,305,039)
Excess of expenses over revenue attributable to the Company	(5,754,206)	-	(5,754,206)	22,293	(5,731,913)
Ending balance, December 31, 2019	50,353,846	211,655,485	262,009,331	5,632,600	267,641,931
Acquisition of ownership interest	2,981,277	-	2,981,277	-	2,981,277
Transfer of limited partnership interest to noncontrolling	(1,888,481)	1,888,481	-	-	-
Capital contributions from noncontrolling interests	-	28,155,499	28,155,499	-	28,155,499
Distributions to noncontrolling interests	-	(971,072)	(971,072)	-	(971,072)
Excess of expenses over revenue attributable to noncontrolling interests	-	(17,963,895)	(17,963,895)	-	(17,963,895)
Excess of expenses over revenue attributable to the Company	(6,981,377)	-	(6,981,377)	2,019,868	(4,961,509)
Ending balance, December 31, 2020	$ 44,465,265	$ 222,764,498	$ 267,229,763	$ 7,652,468	$ 274,882,231

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Excess of expenses over revenue	$ (22,925,404)	$ (26,036,952)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities		
Loss on investment in partnership	(93,710)	(131,075)
Investment (loss) income	(1,781)	1,851
Depreciation and amortization	31,786,109	27,774,925
Effective interest adjustment	1,579,890	1,624,422
Change in fair market value of interest rate swaps	(22,787)	175,014
Loss on sale of properties	-	248,522
Forgiveness of debt	(771,946)	(574,311)
Deferred income	-	(872,359)
Changes in		
Accounts receivable	(3,423,549)	(1,367,515)
Prepaid expenses and other assets	(1,124,939)	(380,865)
Predevelopment costs reimbursable	(122,087)	(3,007,300)
Accounts payable and accrued expenses	3,360,402	3,728,925
Prepaid and deferred revenues	2,907,172	8,298,524
Tenant security deposits	265,615	301,848
Due to affiliates, net	(904,814)	858,545
Net cash provided by operating activities	10,508,171	10,642,199
Cash flows from investing activities		
Escrow deposits and restricted reserves, net	(36,752,737)	(12,812,873)
Advances on notes receivable and accrued interest	(35,372,713)	-
Repayments of notes receivable and accrued interest	11,521,733	-
Contributions to partnerships	(73,941)	-
Cash paid for fixed assets	(83,277,965)	(150,001,943)
Net cash used in investing activities	(143,955,623)	(162,814,816)
Cash flows from financing activities		
Proceeds from line of credit	330,000	6,357,426
Payments on line of credit	(1,293,831)	(4,365,102)
Proceeds from notes and mortgages payable	206,913,689	197,421,815
Payment on notes and mortgages payable	(76,030,857)	(62,184,147)
Deferred income	(3,339,423)	(1,717,365)
Debt issuance costs paid	(2,385,924)	(1,550,151)
Syndication costs and tax credit fees paid	(253,343)	(144,903)
Distributions paid to minority partners	(971,072)	(457,160)
Minority partners' capital contributions received	28,155,499	27,031,545
Net cash provided by financing activities	151,124,738	160,391,958

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2020 and 2019

	2020	2019
Net increase in cash, cash equivalents and restricted cash	$ 17,677,286	$ 8,219,341
Cash, cash equivalents, and restricted cash, beginning of year	51,525,808	43,306,467
Cash, cash equivalents, and restricted cash, end of year	$ 69,203,094	$ 51,525,808
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 29,657,334	$ 28,411,783
Schedule of noncash investing activities		
Fixed asset costs incurred	$ 83,001,660	$ 157,703,947
Fixed assets assets sold in connection with common control transaction	(15,366,867)	(2,105,853)
Accounts payable - development, beginning of year	105,048,632	8,995,537
Accounts payable - development, end of year	(89,405,460)	(14,591,688)
Cash paid for fixed assets	$ 83,277,965	$ 150,001,943
Deferred liability included in residual receipts escrow	$ 334,947	$ 5,311
Schedule of noncash financing activities		
(Decrease) increase in liabilities due to interest rate swap	$ (22,787)	$ 175,014

See Notes to Consolidated Financial Statements.

Note 1 - Organization

Preservation of Affordable Housing, Inc., ("POAH" or the "Company") was created to do exactly what its name suggests, preserve affordable housing stock. The Company is dedicated to the acquisition of and long-term ownership and operation of existing affordable housing properties.

The Company conducts its development and property management business through Preservation of Affordable Housing LLC ("POAH LLC") and its wholly owned subsidiary, POAH Communities LLC ("POAHC LLC"). The Company is located in Boston, Massachusetts, Kansas City, Missouri, Chicago, Illinois and Washington, DC.

At December 31, 2020, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 147 entities that own, in the aggregate 12,140 units of affordable housing. POAH LLC is the managing member of POAH/Trinity Loan Holding Company, LLC ("PTLHC") and the sole member of POAH Woodlawn Station Master Tenant, LLC ("PWSMT"). At December 31, 2019, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 135 entities that own, in the aggregate 11,420 units of affordable housing.

Note 2 - Summary of significant accounting policies

Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the Company and its core operating subsidiaries, POAH LLC, POAHC LLC, PTLHC and PWSMT. The statements include those 64 entities in which the Company has a 100% ownership interest ("Wholly Owned"). Additionally, in accordance with ASC-810-20, "Control of Partnership and Similar Entities", as described below, the statements include the assets, liabilities, net assets and financial activities of 76 entities in which POAH or affiliates serve as General Partner or Managing Member.

The accompanying 2020 and 2019 consolidated financial statements include the assets, liabilities, equity and financial activities of those limited partnerships and limited liability companies where the Company generally owns a .01 - 1% general partner or managing member interest and represent all properties in which POAH or affiliates act as general partner or managing member and in which third party investors have substantial economic interests ("LP"). All significant inter-company balances and transactions between the Company and the entities have been eliminated in consolidation. Net assets without donor restricted noncontrolling on the accompanying consolidated financial statements reflects the proportional share of equity and operations that is not attributable to the Company's interest in these entities. The limited partnerships and limited liability companies are detailed in note 16.

Net asset classification

The company reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions. They are described as follows:

Net assets without donor restrictions – net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions.

Net Assets with donor restrictions – net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor- imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash equivalents
The company considers all highly investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Depreciation
Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated asset lives. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as direct deduction from the face amount of the permanent mortgage loan payable to which such costs relate. Amortization of the debt issuance costs is reported as a component of interest expense on the consolidated statements of activities and is computed using an imputed interest rate on the related loan.

Tax credit and in-place leases
Tax credit compliance monitoring fees are costs related to obtaining low-income housing tax credits, which are being amortized over the mandatory 15-year compliance period. In-place leases are amortized over one year. Unamortized tax credit fees and in-place leases are included in other assets on the consolidated statement of financial position. Amortization expense for the years ended December 31, 2020 and 2019 totaled $1,530,708 and $627,143, respectively, and accumulated amortization totaled $4,795,877 and $3,708,586, respectively.

Estimated amortization expense for each of the ensuing five years through December 31, 2025 is as follows:

Years	Wholly Owned	LP	Total
2021	$ 7,259	$ 318,341	$ 325,600
2022	7,259	316,504	323,763
2023	7,259	304,487	311,746
2024	7,259	286,133	293,392
2025	7,259	277,285	284,544

Accounts receivable
Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Grants receivable
Grants receivable represents costs incurred on cost reimbursable grants that will be billed after December 31, 2020. Grant receivable are stated at the amount management expects to be collected

from the outstanding balance. As of December 31, 2020, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Predevelopment costs reimbursable
The Company carries all third-party costs associated with the potential acquisition of investment properties as predevelopment costs reimbursable. Costs associated with potential acquisitions that are not deemed probable to be recovered are expensed.

Noncontrolling interests
Noncontrolling interest in POAH LLC represents the proportional share of equity and operations of PTLHC that is not attributable to POAH LLC's interest in the entity. At December 31, 2020 and 2019, the noncontrolling member's interest totals $886,618 and $1,522,299, respectively. Noncontrolling interest in the project limited partnerships and limited liability companies represents various investor limited partners and members proportionate share of equity in the project limited partnerships and limited liability companies. At December 31, 2020 and 2019, the noncontrolling partners'/members' interest in the project limited partnerships and limited liability companies were approximately 99.99% and total $235,129,106 and $223,182,044, respectively. Income is allocated to noncontrolling interest based on the noncontrolling partners'/members' ownership. At both December 31, 2020 and 2019, eliminations related to the noncontrolling interests total $13,048,858.

Investment in partnerships
POAH and POAH LLC's investment in limited partnerships are accounted for under the equity method of accounting as POAH LLC does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for the POAH LLC's share of undistributed earnings or losses.

Tax status
The Company is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and did not have any unrelated business income for the years ended December 31, 2020 and 2019. No provision or benefit for income taxes has been included in these consolidated financial statements for POAH LLC, POAHC LLC, PTLHC LLC, PWSMT, and the entities controlled by POAH or an affiliate since the limited liability companies are either disregarded entities of POAH and thus POAH is treated for tax purposes as having earned all of the income and incurred all of the losses directly of those limited liability companies, or the limited liabilities companies are treated as partnerships and thus all of their net taxable profit or loss is passed through to the partners, including POAH. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2017 remain open.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses
The costs of program and supporting service activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable

basis that is consistently applied. Expenses are tracked using direct identification methodology of charging specific expenses as either program, management and general, or fundraising. The financial statement reports certain categories of expense that are attributable to one or more programs or supporting functions. Those expenses have been allocated based on estimates of time and effort.

Accounting for the impairment of long-lived assets
The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2020 and 2019.

Revenue recognition
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

Rental income from leases on commercial space is recognized on a straight-line basis over the period of the commercial lease.

Revenue from development fees, property management and related fees, and other contractual services is recognized when control of the promised service is transferred to the Company’s customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Contribution revenue is recognized when an unconditional promise to give a financial asset is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

See Note 9 for a further discussion of the Company’s revenues.

Derivatives
Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Effective January 1, 2010, this guidance was codified into ASC-815-10 "Derivatives and Hedging." The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value.

Fair value measurement
The Financial Accounting Standards Board’s ("FASB") guidance on fair value measurements requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. FASB’s guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the

highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. Preference is given to observable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. FASB's guidance requires the use of observable data if such data is available without undue costs and effort.

The fair value hierarchy under the guidance is as follows:

- Level 1 - quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

- Level 2 - quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and

- Level 3 – prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Summarized comparative information
The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Company's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

Reclassifications
Certain items from the prior year financials have been reclassified to conform to the current year presentation.

Note 3 - Liquidity and availability

Financial assets available for general expenditure within one year consist of the following:

	Consolidated	Core Operating Companies
Cash, cash equivalents, and restricted cash	$ 58,132,793	$ 17,830,451
Grants and pledges receivable	1,515,000	1,515,000
Accounts receivable	7,939,269	9,284,408
Development fee receivable - affiliates	-	9,247,051
Undrawn lines of credit	10,655,317	10,655,317
Total financial assets	78,242,379	48,532,227
Less amounts not available to be used within one year		
Restricted by donor with time or purpose restrictions	(4,800,278)	(4,800,278)
Financial assets available to meet general expenditures over the next twelve months	$ 73,442,101	$ 43,731,949

The Company regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Company operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Company has various sources of liquidity at its disposal including cash, a steady revenue stream from its developer fees, notes receivable, rental income, and various annual service fees.

Note 4 - Notes receivable

The Company, as the sponsor of the entities that own the affordable housing developments, holds various notes receivable from the entities. Certain notes were contributed to the Company by the Department of Housing and Urban Development ("HUD") in connection with the Mark-to-Market restructuring. The notes bear interest at various rates, are generally secured but subordinate to the first mortgages on the properties and are payable from available cash flow. The notes, at the time of receipt by the Company, were recorded at a discount rate reflecting the present value of future projected cash flows. The discount rate was 17% for notes received prior to 2005 and 20% for notes received thereafter. The interest income that is received by the Company is recorded based on the amortization schedules at the discounted note values. Payments received in excess of the amortization schedules are recorded to income in the year of the excess payment.

Other loans have been originated by the Company and were funded by reserves or represent seller financing provided to the affordable housing development. These notes have been recorded simultaneously with a deferred gain (See Note 17).

Management has established an allowance for amounts deemed uncollectible in the amount of $5,393,386 and $4,693,386 as of December 31, 2020 and 2019.

A summary of the notes receivable and accrued interest is as follows:

	Balance at December 31, 2020	Balance at December 31, 2019
Mark-to-market loans, bearing interest from 1% to 5.5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2034, net of discount of $21,471,914, respectively.	$ 4,770,637	$ 4,770,637
Resale loans, bearing interest from 2.64% to 12%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061, net of allowance of $2,067,168, respectively.	50,306,130	50,856,409
Reserve loans, bearing interest from 0% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058, net of allowance of $1,106,884, respectively.	23,112,848	22,202,184
State tax credit loans, bearing interest from 0% to 4%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	25,306,566	25,306,566
Grant fund loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061.	27,100,297	28,149,241
Deferred developer fee loans, bearing interest from 2.62% to 5.09%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055, net of allowance of $270,000, respectively.	555,000	555,000
Other loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057, net of allowance of $1,949,334 and $1,249,334, respectively.	47,570,973	25,848,961
Seller loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	5,624,008	6,002,578
Accrued interest	5,368,726	3,501,994
	189,715,185	167,193,570
Eliminated in consolidation	(161,242,435)	(158,786,570)
	$ 28,472,750	$ 8,407,000

The Company only records accrued interest receivable to the extent that payment is expected from the properties from available surplus cash. Interest of $30,525,913 and $29,865,519 for 2020 and

2019, respectively, has not been recorded in these financial statements because no assurance can be made that it will be paid.

Gains from the excess payments over the loan principal and accretion of market discounts is $90,386 and $0, respectively, for the years ended December 31, 2020 and 2019. The effects of these transactions have been eliminated in consolidation each year.

In 2014, a change was implemented relating to properties purchased and controlled by entities wholly owned by the Company and subsequently sold to limited partnerships ("LP's") where the Company retains a general partner or controlling interest. Under common control accounting guidance, the acquired assets on the acquiring entity's books are recorded at the net book value as reflected on the selling entity's books at the date of the acquisition and not at the fair value as determined by an appraisal. The net book value is typically less than the fair value purchase price of the acquired assets.

In prior years the fair value gain on sale was recognized by the Company or POAH LLC as a seller note receivable and related deferred gain. The change in guidance, effective for the year ended December 31, 2014, precludes recording these notes and deferred gain on the Company's consolidated statement of financial position or POAH LLC's balance sheet.

At December 31, 2020 and 2019, notes receivable totaling $21,435,364 and $16,783,678, respectively, are assets of the Company, however, they are not reflected as a component of notes receivable on the consolidated statement of financial position because they represent notes receivable related to acquisitions under common control. The Company records cash payments on such notes receivable and interest income as a component of equity. At December 31, 2020 and 2019, interest income in the amount of $281,098 and $483,621, respectively is recorded as a component of equity. At December 31, 2020 and 2019, principal payments in the amount of $594,201 and $221,602, respectively, is recorded as a component of equity, and is eliminated in consolidation.

A summary of these common control notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2020	Balance at December 31, 2019
Resale loans, bearing interest from 1.95% to 7%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058.	$ 19,549,215	$ 14,708,686
Reserve loans, bearing interest from 3.2% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055.	1,886,149	2,074,992
Accrued interest	196,199	321,800
	21,631,563	17,105,478
Common control assets not recorded	(21,435,364)	(16,783,678)
Eliminated in consolidation	(196,199)	(321,800)
	$ -	$ -

Note 5 - Loans and notes payable

Calvert Social Investment Foundation

In December 2015, the Company entered into an $8,000,000 loan commitment with Calvert Social Investment Foundation ("Calvert") for the purpose of furthering its activities as a non-profit organization engaged in community economic development. Interest accrues at the rate of 4.5% per annum. Payments of interest are due quarterly in arrears with the first principal payment with any accrued and unpaid interest due July 31, 2018 and the second principal payment with any accrued and unpaid interest due December 31, 2022. In June 2018, the maturity of the first principal payment was extended to July 31, 2019. In September 2019, the maturity of the first principal payment was extended to November 30, 2019. On November 30, 2019, the first principal amount was repaid in full as part of the POAH LLC credit facility with Calvert. During the years ended December 31, 2020 and 2019, interest expense of $183,000 and $352,000, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $4,000,000, respectively, and accrued interest is $0.

Local Initiative Support Corporation

In July 2012, the Company entered into a $5,000,000 line of credit loan with Local Initiative Support Corporation ("LISC") for the purpose of funding predevelopment costs. The line is collateralized by the mortgage note receivable from Hawthorne. Interest accrues at the rate of 6% per annum and is due monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project at the earliest to occur of closing of construction financing, refinancing, the eighteen month anniversary following disbursement of funds or the maturity date of October 2017. In May 2017, the line was increased to $6,500,000 and maturity date was extended to October 2022. During the years ended December 31, 2020 and 2019, interest expense of $168,993 and $155,576, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $1,115,500 and $3,195,083, respectively, and accrued interest is $0 and $15,975, respectively.

Low Income Investment Fund

In June 2015, the Company entered into a $5,000,000 loan commitment with Low Income Investment Fund (LIIF) for the purpose of funding predevelopment costs. The loan is collateralized by the mortgage note receivable from Blackstone. Interest accrues at the rate equal to the greater of the 5-year United States Treasury Rate plus 500 basis points (5.36% and 6.69% at December 31, 2020 and 2019, respectively) or 6.25% per annum. Payments of interest are due monthly and payments of principal and unpaid interest are due at the earlier of the closing and funding of any construction or permanent financing of the project loan or five-year anniversary of the first day of the first full month following the closing date. In April 2020, the maturity date was extended to October 1, 2020 and the interest rate was set at 6.6%. In September 2020, the maturity date was extended to January 1, 2021. In October 2020, the loan was paid off. During the years ended December 31, 2020 and 2019, interest expense of $122,596 and $200,769, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $0 and $2,249,246, respectively, and accrued interest is $0.

Boston Private Bank & Trust Company

In June 2018, the Company entered into a $5,000,000 loan commitment with Boston Private Bank & Trust Company. The loan is collateralized by the mortgage note receivable from Kenmore. The loan bears interest at 4.97%, requires monthly principal and interest payments on a fifteen-year amortization, has a ten-year term and matures on June 1, 2028. During the years ended December 31, 2020 and 2019, interest expense of $230,934 and $242,358, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $4,436,052 and $4,681,927, respectively, and accrued interest is $0.

The Model Group
On May 31, 2018, the Company entered into a $1,050,000 loan agreement with The Model Group for the purpose of funding the purchase of general partner interests in 18 properties and management contracts. Interest accrues at 2.18%. Annual payments of $350,000 of principal and accrued interest shall be made each May 31st through maturity, May 31, 2021. During the years ended December 31, 2020 and 2019, interest expense of $10,809 and $19,075, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $350,000 and $700,000, respectively, and accrued interest is $5,087 and $9,538, respectively.

MHIC CMF - Whittier
In January 2019, the Company entered into a $2,000,000 loan agreement with MHIC CMF Affordable Housing Fund I LLC for the purpose of funding predevelopment costs related to the Whittier Phase 2 project. Interest accrues at 4% and requires monthly interest payments. The outstanding principal and accrued interest are due at maturity, July 31, 2020. The loan is collateralized by the mortgage note receivable from Peters Grove. In July 2020, the loan was paid off. During the years ended December 31, 2020 and 2019, interest expense of $36,253 and $40,104 was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $0 and $1,054,256 and accrued interest is $0 and $3,631, respectively.

Arc Chicago, LLC
In March 2020, the Company entered into a $5,000,000 loan agreement with Arc Chicago, LLC for the purpose of acquisition and preservation properties in communities in Chicago and surrounding suburbs that have experienced historic disinvestment and/or where residents are at risk of displacement due to gentrification. Interest accrues at 5.00% per annum, commencing on July 1, 2020. Payments of interest are due on the first day of each quarter, and payments of principal are due in three installments on March 27, 2028, March 27, 2029, and March 27, 2030. Interest payments for 2020 have been deferred and will be due at the time of the final principal payment. During the years ended December 31, 2020, interest expense of $109,771 was recorded on the consolidated statements of activities. At December 31, 2020, the outstanding principal balance is $3,770,000 and accrued interest is $109,771.

Community Economic Development Assistance Corporation
In September 2020, the Company entered into a $500,000 predevelopment loan agreement with Community Economic Development Assistance Corporation for the purpose of funding predevelopment related costs related to the development of 950 Falmouth Road in Mashpee, MA. Interest accrues at 3% per annum. All unpaid principal and accrued interest are due at the time of the project construction closing. During the year ended December 31, 2020, interest expense of $323 was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $242,251 and accrued interest is $323.

Greater Cincinnati Foundation
In December 2020, the Company entered into a $1,000,000 loan agreement with The Greater Cincinnati Foundation for the purpose of acquiring and preserving 100 or more units of affordable housing in greater Cincinnati. The loan is revolving until December 31, 2027 and interest accrues at 2.50% per annum. Interest payments are due annually in arrears beginning on December 31, 2021. Principal payments are due in consecutive equal annual payments beginning on December 31, 2028 with all unpaid principal and interest due on December 31, 2030. During the year ended December

31, 2020, interest expense of $1,233 was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $1,000,000 and accrued interest is $1,233.

BlueHub Loan Fund - energy conservation
In December 2014, POAH LLC entered into a $2,000,000 line of credit agreement with BlueHub Loan Fund (formerly known as Boston Community Loan Fund Inc.) for the purpose of funding energy conservation improvements. Interest accrues at 5% and is payable monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project five years after the issuance of a term note. Funds can be drawn until February 28, 2017. In April 2020, the loan was paid off. During the years ended December 31, 2020 and 2019, interest expense of $220 and $3,497, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $0 and $23,754, respectively, and accrued interest is $0.

BlueHub Loan Fund - property acquisition
In June 2019, POAH LLC entered into a $880,000 loan agreement with BlueHub Loan Fund for the purpose of funding the acquisition of a property in Chicago, IL. Interest accrues at 3.50% per annum. Payments of interest are due monthly and are funded by loan proceeds through maturity, the earlier of (i) the date of closing of any construction loan or any other financing or equity source which is used to finance the project's development and/or operation of the project, and (ii) June 18, 2022. The loan proceeds have been loaned to POAH Roseland East 110th Place Hold Limited Partnership. During the years ended December 31, 2020 and 2019 interest expense of $29,655 and $15,376, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal is $846,996 and $817,430, and accrued interest is $2,553 and $2,464, respectively.

Life Insurance Community Investment Initiative - Briston Arms
In July 2015, POAH LLC entered into a $2,407,000 loan agreement with Life Insurance Community Investment Initiative, LLC ("Life initiative") for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 7%, compounded annually. Payments of principal and accrued interest are due annually in the amount of 80% of deferred development fee payments received from Briston Arms. All unpaid principal and accrued interest are due on the maturity date of July 6, 2023. The loan proceeds have been loaned to Briston Arms. During the years ended December 31, 2020 and 2019, interest expense of $82,706 and $103,263, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $1,063,557 and $1,454,980, respectively, and accrued interest is $49,633 and $103,263, respectively.

Cambridge Affordable Housing Trust - Briston Arms
In July 2015, POAH LLC entered into a $2,400,000 loan agreement with Cambridge Affordable Housing Trust for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 4%. Payments of principal and accrued interest are due annually in an amount equal to the EV Income Payments as defined in the agreement. After full repayment of the Life Initiatives note, all unpaid principal and accrued interest is due on the maturity date of June 30, 2035. The loan proceeds have been loaned to Briston Arms. During the years ended December 31, 2020 and 2019, interest expense of $96,000 was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $2,400,000 and accrued interest is $527,733 and $431,733, respectively.

Life Insurance Community Investment Initiative - revolving line of credit
In June 2019, POAH LLC entered into a $1,000,000 revolving line of credit with Life Initiative for the purpose of funding predevelopment costs for properties in Massachusetts. Interest accrues at 5.5% and is due quarterly. Payments of principal are due at the closing of the acquisition of the properties. All unpaid principal and accrued interest are due on the maturity date of May 29, 2024. Disbursements that are repaid can be reborrowed, assuming loan criteria are met. The line is collateralized by the mortgage note receivable from Eastgate. In April 2020, the line of credit was increased to $2,000,000. During the years ended December 31, 2020 and 2019, interest expense of $59,159 and $19,938, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $861,353 and $725,000, respectively, and accrued interest is $16,389 and $9,969, respectively.

Ohio Housing Finance Agency
In May 2018, various notes payable were assigned to POAH LLC as part of a portfolio acquisition. The six notes, totaling $2,157,996 with the Ohio Housing Finance Agency ("OHFA") were funded from Housing Development Assistance Program ("HDAP") funds for the purpose of funding development costs for various properties in Cincinnati, OH. Interest accrues at 2% per annum. Payments of principal and accrued interest are due annually in an amount equal to payments of 50% of the cash flow, as defined in the agreement, from the respective properties. The maturity dates range from December 2022 to December 2042. During the years ended December 31, 2020 and 2019, interest expense of $36,731 and $36,631, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal is $1,831,544 and accrued interest is $379,924 and $343,193, respectively.

MHIC CMF - Bedford Village
In June 2019, POAH LLC entered into a $528,000 loan agreement with MHIC CMF Affordable Housing Fund LLC for the purpose of funding development costs at Bedford Village in Bedford, MA. Interest accrues at 4% per annum. Payments are due annually subject to the property's cash flow, and any unpaid principal and accrued interest are due at maturity, June 1, 2027. During July 2019, loan proceeds of $475,200 were received. The loan proceeds have been loaned to Bedford Village Preservation Associates Limited Partnership. During the years ended December 31, 2020 and 2019, interest expense of $19,008 and $9,504, respectively, is included in interest expense on the consolidated statements of activities. The loan was paid in full in May 2021. At December 31, 2020 and 2019, the outstanding principal is $475,200, and accrued interest is $28,512 and $9,504, respectively.

Calvert Social Investment Foundation
In December 2019, POAH LLC entered into a $15,000,000 syndicated revolving credit facility with Calvert Social Investment Foundation for the purpose of funding its development and acquisition activities. Interest accrues at the rate of the Five-Year Constant Maturity US Treasury Rate plus 2.5% (2.86% and 4.12% at December 31, 2020 and 2019, respectively). Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of December 31, 2024. For the years ended December 31, 2020 and 2019, interest expense of $274,461 and $13,161, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal balance is $6,750,000 and $5,000,000, respectively, and accrued interest is $0 and $13,161, respectively.

In June 2020, POAH LLC entered into a $4,000,000 loan agreement with Calvert Social Investment Foundation for the purpose of bridging the syndicated revolving credit facility. Interest accrues at the rate of 4%. Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of June 11, 2021. For the year ended December 31, 2020, interest expense of $55,333 was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $4,000,000 and accrued interest is $0.

The Prudential Insurance Company of America
In July 2020, POAH LLC entered into a $5,000,000 loan agreement with The Prudential Insurance Company of America. POAH LLC used the proceeds of the loan to make a loan to POAH Support Corporation 2, an entity related to POAH INC, who will then use those proceeds as qualified equity investments into various community development entities that will then use the investments to fund a qualified low-income community investment to POAH DD Sugar Hill, LLC, which operates a property in Detroit, MI. Interest accrues at 4.25% per annum. Payments of interest only are due monthly commencing on August 1, 2020 to July 9, 2022. Thereafter payments of principal and interest are due monthly on a twenty-year amortization. Any outstanding balances will be made on the maturity date of January p9, 2028. For the year ended December 31, 2020, interest expense of $101,528 was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $5,000,000 and accrued interest is $17,708.

Paycheck Protection Program Loan
In April 2020, POAHC entered into a $5,491,324 Small Business Administration (“SBA”) loan with Eastern Bank under the Paycheck Protection Program. The note accrues interest at 1% per annum. Payments of principal and interest are due monthly in the amount of $307,494 beginning in November 2020 with all unpaid principal and accrued interest due on the maturity date of April 15, 2022. Forgiveness of the full amount of the loan was applied for per the loan documents and was received on June 22, 2021. For the year ended December 31, 2020, interest expense of $39,267 was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $5,491,324 and accrued interest is $39,267.

Chicago Community Loan Fund
In December 2017, PWSMT entered into a $350,000 loan agreement with Chicago Community Loan Fund for the purpose of funding retail development costs at Woodlawn Station, a property in Chicago, IL, being developed by POAH LLC. Interest accrues at 5% per annum. Payments of interest only are due monthly. All unpaid principal and accrued interest are due on the maturity date of December 1, 2025. In September 2019, the loan was increased to $700,000. During the years ended December 31, 2020 and 2019, interest expense of $35,191 and $26,713, respectively, was included in interest expense on the consolidated statements of activities. At December 31, 2020 and 2019, the outstanding principal is $692,314, and accrued interest is $2,981, respectively.

Debt issuance costs
As of December 31, 2020, unamortized debt issuance costs related to these loans total $98,478 consist of financing costs of $176,960 less accumulated amortization of $78,482. As of December 31, 2019, unamortized debt issuance costs related to these loans total $98,919 consist of financing costs of $150,710 less accumulated amortization of $51,791. For the years ended December 31, 2020, and 2019, $26,691 and $17,012 of amortization was incurred and is included in interest expense on the consolidated statements of activities.

Loan balances
The balances as included in the accompanying consolidated statement of financial position as of December 31, 2020 and 2019 are summarized as follows:

Lender	Current Portion	Long-term Portion	Total Balance at December 31, 2020	Current Portion	Long-term Portion	Total Balance at December 31, 2019
Calvert	$ -	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ 4,000,000
LISC	300,000	815,500	1,115,500	2,764,583	430,500	3,195,083
LIIF	-	-	-	2,249,246	-	2,249,246
Boston Private	259,221	4,176,831	4,436,052	245,876	4,436,051	4,681,927
The Model Group	350,000	-	350,000	350,000	350,000	700,000
MHIC	-	-	-	1,054,256	-	1,054,256
Arc Chicago	-	3,770,000	3,770,000	-	-	-
CEDAC	-	242,251	242,251	-	-	-
Greater Cincinnati	-	1,000,000	1,000,000	-	-	-
BCLF - LLC	-	-	-	23,754	-	23,754
BlueHub - LLC	-	846,996	846,996	-	817,430	817,430
Life Initiative - LLC	-	1,063,557	1,063,557	391,423	1,063,557	1,454,980
CAHT - LLC	-	2,400,000	2,400,000	-	2,400,000	2,400,000
Life Initiative - LLC	861,353	-	861,353	725,000	-	725,000
OHFA - LLC	-	1,831,544	1,831,544	-	1,831,544	1,831,544
MHIC - LLC	475,200	-	475,200	-	475,200	475,200
Calvert - LLC	4,000,000	6,750,000	10,750,000	-	5,000,000	5,000,000
Prudential - LLC	-	5,000,000	5,000,000	-	-	-
PPP - POAHC	-	5,491,324	5,491,324	-	-	-
CCLF - PWSMT	-	692,314	692,314	-	692,314	692,314
Unamortized	-	(98,478)	(98,478)	-	(115,884)	(115,884)
	$ 6,245,774	$ 37,981,839	$ 44,227,613	$ 7,804,138	$ 21,380,712	$ 29,184,850

Annual maturities of debt, including voluntary prepayments, for the ensuing five years as of December 31, 2020 are as follows:

	INC	LLC	Total
2021	$ 909,221	$ 5,336,553	$ 6,245,774
2022	5,330,340	6,426,558	11,756,898
2023	286,647	1,229,592	1,516,239
2024	300,918	6,922,659	7,223,577
2025	316,848	873,027	1,189,875
Thereafter	7,769,829	8,623,899	16,393,728

Note 6 - Line of credit - Boston Private Bank

In January 2013, POAH LLC entered an agreement for a revolving demand line of credit note with Boston Private Bank & Trust Company. In April 2019, the line was increased to $6,000,000, the maturity date was extended to March 29, 2022, and Eastern Bank was added as a participant in the line. The note accrues interest equal to the Prime Rate with a floor of 3.25% (3.25% and 4.75% at December 31, 2020 and 2019, respectively) and is payable monthly. The line is collateralized by the mortgage notes receivable from Franklin. In April 2020, the line was temporarily increased to $7,000,000 with the increase terminating on October 29, 2021. During the years ended December 31, 2020 and 2019, interest expense of $117,983 and $129,787, respectively, was recorded on the consolidated statements of activities. At December 31, 2020 and 2019, $2,867,830 and $3,831,661, respectively, is outstanding on the line and accrued interest is $7,049 and $11,675, respectively.

As of December 31, 2020 and 2019, the outstanding principal on the line of credit less unamortized debt issuance costs was $2,828,651 and $3,826,006. As of December 31, 2020 and 2019, unamortized debt issuance cost of $39,179 and $16,965, respectively. During the years ended December 31, 2020 and 2019, amortization expense incurred was $8,924 and $5,655, respectively.

Annual maturities of debt, including voluntary prepayments, for the ensuing two years as of December 31, 2020 are as follows:

2021	$ 2,076,722
2022	791,108

Note 7 - Mortgages payable - properties

The Company receives financing for the affordable housing properties from various federal, state and local agencies and financial institutions. These loans are nonrecourse to the Company and are secured by mortgages on the properties. Some of the mortgages also require monthly remittances for escrows and reserves.

The entities in which the Company owns a general partner or managing member interest have outstanding mortgage loans and notes payable. Generally, the loans are secured by security interests and liens common to mortgage loans on the entities' real property and other assets and are nonrecourse to the Company. Such loans bear interest at rates ranging from approximately 0% to 13.125% per annum. The majority of the first mortgage loans require monthly payments of principal and interest, while some of the subordinate loans are only payable from available cash flow and/or deferred to maturity. The mortgages mature in years from 2031 to 2065. For those mortgages payable to POAH or an affiliate, the effect of the loan has been eliminated in the consolidation for each year.

A summary of the mortgages and notes payable at year-end is as follows:

	Balance at December 31, 2020	Balance at December 31, 2019
Permanent conventional loans, bearing compounded interest from 2.813% to 7.25%, generally with principal and interest due monthly, to be repaid in full on various maturity dates through 2049	$ 145,555,539	$ 126,912,896
Federal, state and local agency loans, bearing interest from 0% to 12.625%, generally with principal and interest due monthly or payable from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2049.	27,389,112	24,886,933
Other loans, bearing interest from 4.5% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2031.	124,246,992	85,336,900
Accrued interest	12,967,174	7,768,571
Wholly owned entities	310,158,817	244,905,300
Entities controlled by POAH or affiliates	853,128,929	799,344,435
Unamortized debt issuance costs	(13,709,116)	(12,941,458)
	1,149,578,630	1,031,308,277
Mortgages and notes eliminated in consolidation	(205,938,204)	(201,985,723)
	$ 943,640,426	$ 829,322,554

During the years ended December 31, 2020 and 2019, amortization expense incurred on debt issuance costs was $1,544,275 and $1,601,755, respectively, and was included in property mortgage interest in the consolidated statements of activities. A summary of the mortgages payable and related deferred financing costs is as follows:

	Wholly Owned	LP	Total Balance at December 31, 2020	Wholly Owned	LP	Total Balance at December 31, 2019
Mortgages payable less unamortized debt issuance costs	$ 154,739,585	$ 438,337,656	$ 593,077,241	$ 134,664,608	$ 390,795,254	$ 525,459,862
Debt issuance costs	$ 6,331,974	$ 18,188,466	$ 24,520,440	$ 5,108,199	$ 16,098,864	$ 21,207,063
Less: accumulated amortization	(3,333,552)	(7,477,772)	(10,811,324)	(2,648,392)	(5,617,213)	(8,265,605)
Unamortized debt issuance costs	$ 2,998,422	$ 10,710,694	$ 13,709,116	$ 2,459,807	$ 10,481,651	$ 12,941,458

Annual maturities of debt for the ensuing five years are summarized as follows:

Years	Wholly Owned	LP	Total
2021	$ 44,014,973	$ 46,076,465	$ 90,091,438
2022	17,957,423	7,216,459	25,173,882
2023	2,916,165	9,018,702	11,934,867
2024	15,347,060	8,407,706	23,754,766
2025	3,205,514	7,585,007	10,790,521

To minimize the effect of changes in interest on a mortgage note, a limited partnership, Salem Heights Preservation Associates Limited Partnership ("SHPALP"), entered into interest rate swap agreements with two banks under which the partnership pays interest at a fixed rate of 4.24% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $250,328 and $481,610 as of December 31, 2020 and 2019, respectively, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

To minimize the effect of changes in interest on a mortgage note, POAH Support Corporation (“PSC”), entered into interest rate swap agreements with BMO Harris Bank under which PSC pays interest at a fixed rate of 1.31% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of ($95,721) and $27,038 as of December 31, 2020 and 2019, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

To minimize the effect of changes in interest on a mortgage note, Woodlawn Station Preservation Associates Limited Partnership (“WSPALP”), entered into interest rate swap agreements with the Bank of Montreal under which WSPALP pays interest at a fixed rate of 5.53% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $843,327 and $512,073 as of December 31, 2020 and 2019, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

Note 8 - Acquisitions of rental property

Acquisition of real property is accounted for as asset acquisitions and recorded at proportional fair value at the time of purchase as determined by an appraisal. During the years ended December 31, 2020 and 2019, the Company recorded the acquisition of real property totaling $11,104,957 and $56,509,046, respectively.

Note 9 - Revenue

Revenue is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services.

Development fee

Most development fees earned are paid from the Project's equity and debt proceeds at the completion of the construction of the Project. These fees are recognized over the development period beginning when the Project is assured of being constructed, as evidenced by the admission of an equity partner, and concluding with the approval of the cost certification of the respective housing credit agency.

The Company estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in *ASC Topic 606, Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the Project's influence, including insufficient equity and debt proceeds at the completion of the construction of the Project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- The Company's experience with similar types of agreements.
- Whether the Company expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the Company's estimate of the variable consideration using available information at the reporting date. Deferred development fees payable from property surplus cash are recognized at such time as there is available surplus cash.

Management service revenue

POAHC provides property management services on a contractual basis for owners of and investors in affordable housing properties. These services include management, marketing, building engineering, accounting, compliance, and financial services. POAHC is compensated for its services through a monthly management fee earned based on either a specified percentage of the monthly rental income, rental receipts generated from the property under management or a fixed fee. POAHC is also often reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

State tax credit proceeds
POAH INC sells State Low Income Housing Tax Credits and State Historic Tax Credits generated from limited partnership properties to unrelated parties. POAH INC has provided loans to fund rehabilitation or construction at the respective properties, which are then assigned to POAH LLC. Income is recognized upon satisfaction of the primary performance obligation which occurs at a point in time upon delivery of the respective state credit certification.

State tax credit proceeds income for the years ended December 31, 2020 and 2019 is $0 and $736,000, respectively.

Note 10 - Related party transactions

Notes and other receivables from affiliates
For the years ended December 31, 2020 and 2019, the Company's notes receivable and accounts receivable are amounts receivable from limited partnerships in which the Company is a general partner. The effect of these transactions has been eliminated in consolidation each year.

Administrative salaries and costs
The Company provides various services related to the administration of POAH LLC. For the years ended December 31, 2020 and 2019, POAH LLC incurred $8,816,296 and $8,382,908, respectively, for compensation, overhead and rent from the Company.

Property management and related fees
Property management and related fees were earned by POAHC in 2020 in the amount of $9,798,231, of which $9,089,844 has been eliminated in consolidation and in 2019 in the amount of $9,177,328, of which $8,372,123 has been eliminated in consolidation. At December 31, 2020 and 2019, $7,175,612 and $2,896,894, respectively, is due from related parties for services and advances net of an allowance for doubtful accounts which is estimated to be $998,271 and $852,983, respectively.

Development fee and other revenue from properties
For the years ended December 31, 2020 and 2019, the Company and POAH LLC earned development fee revenue and fees from properties as follows:

	2020	2019
Development fee paid from development sources	$ 3,672,951	$ 3,729,162
Development fee paid from cash flow	6,744,307	6,463,010
Development fee paid from GP capital contributions	-	3,282,927
Other fee revenue	969,148	794,027
	11,386,406	14,269,126
Cash flow fees from certain related properties	2,745,396	1,905,547
	14,131,802	16,174,673
Development and cash flow fees eliminated in consolidation	(9,863,991)	(13,668,727)
	$ 4,267,811	$ 2,505,946

At December 31, 2020 and 2019, $12,095,412 and $12,762,350, respectively, is due from related properties for development and cash flow fees. At December 31, 2020 and 2019, development fees received but not yet earned are $778,698 and $579,318, and is shown as a component of deferred income on the consolidated statements of financial position.

Reimbursable salaries and expenses
POAHC LLC incurs costs related to payroll, technical support and other reimbursable expenses on behalf of the properties that it manages. In 2020 the costs incurred and the related reimbursement from related properties totaled $22,388,370, of which $21,917,497 has been eliminated in consolidation and in 2019 $21,748,594, of which $21,337,787 has been eliminated in consolidation. The effect of these transactions has been eliminated in consolidation each year.

Note 11 - Investment in partnerships

The Company, either as the sole member of the entity or the 100% owner of the general partner, has made capital contributions to some of the entities that own affordable housing developments. At December 31, 2020 and 2019, investment in properties is $25,402,341 and $18,990,774, respectively, of which $25,230,620 and $18,817,272, respectively has been eliminated in consolidation.

In May 2018, the Company purchased a non-controlling general partner interest in seven properties located in Cincinnati, OH. The investments are recorded using the equity method. The balance of this investment at December 31, 2020 and 2019 is $171,721 and $173,502, respectively. The investment balances of these properties are included in the investment in properties balances noted above.

In May 2018, the Company purchased the managing member general partner interest in Losantiville Apartments Limited Partnership ("LALP"). LALP is the limited partner in Elm St. Senior Hosing, Ltd, an unrelated entity. The investment is recorded using the equity method. The balance of this investment at December 31, 2020 and 2019 is $1,133,889 and $1,153,658, respectively.

Certain financial information with respect to these investments at December 31, 2020 and 2019, and the years then ended, are as follows:

	2020	2019
Net investment in real estate	$ 49,629,029	$ 52,422,836
Total assets	54,383,617	57,176,954
Permanent financing (including accrued interest)	24,859,898	25,120,474
Total liabilities	27,105,624	27,324,220
Limited partner's equity (deficit)	20,188,186	27,317,348
General partners' equity (deficit)	7,089,807	2,535,386
Revenue	4,052,412	4,053,953
Expenses	7,349,134	7,538,076
Net loss	(3,296,722)	(3,484,123)

Note 12 - Commitments and contingencies

Lease commitments
The Company leases office space under a non-cancelable operating lease in Boston, MA, which expires June 30, 2020. The Company entered into a new non-cancelable operating lease in December 2019 that commenced in August 2020 and expires in October 2030. Rental expense, inclusive of operating costs, for the years ended December 31, 2020 and 2019 totaled $834,176 and $680,659, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Chicago, Illinois. In September 2017, a lease extension was executed that commenced in May 2018 and expires in April 2025. Rental expense, inclusive of operating costs, for the years ended December 31, 2020 and 2019 totaled $184,753.

POAH LLC leases office space under a non-cancelable operating lease in Washington, D.C. which expires in July 2022. Rental expense, inclusive of operating costs, for the years ended December 31, 2020 and 2019 totaled $83,130.

POAHC leased office space under a non-cancelable operating lease in Kansas City, Missouri, which expired in February 2018. POAHC entered into a new non-cancelable operating lease in November 2017 that commenced in March 2018 and expires in March 2025. Rental expense, inclusive of real estate taxes and operating costs, the years ended December 31, 2020 and 2019 totaled $132,224 and $142,372, respectively.

Future minimum lease payments under operating leases as of December 31, 2020 are as follows:

	INC	LLC	POAHC	Total
2021	$ 930,160	$ 259,381	$ 149,095	$ 1,338,636
2022	949,488	264,640	153,266	1,367,394
2023	968,816	173,493	157,436	1,299,745
2024	988,144	176,020	161,607	1,325,771
2025	1,007,472	64,342	40,662	1,112,476
	$ 4,844,080	$ 937,876	$ 662,066	$ 6,444,022

Other commitments or contingencies

The Company or its affiliates serve as the general partner or managing member for various entities that are the owners of the affordable housing properties. The investors and in some cases the lenders in these entities usually require guarantees from POAH entities on behalf of the general partner or managing member as a condition to their investment. Generally, these guarantees are for obligations such as construction and rehabilitation completion, funding of operating deficits and tax credit recapture price adjusters.

A summary of the guarantees outstanding at December 31, 2020 is as follows. See Note 16 for a detail of these entities.

Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2020	
Jefferson	2003	(1), (2)	N/A	N/A	December 2026	$ 970,894	$ 451,872	(8)
Oakland	2003	(2)	N/A	N/A	N/A	N/A	-	
Woodlen	2004	(2)	N/A	N/A	N/A	N/A	-	
Driftwood	2005	(1), (2)	N/A	N/A	None	420,705	-	
Crestview	2005	(1), (2)	N/A	N/A	(8)	395,547	298,616	(8)
Washington Gardens	2005	(1), (2)	N/A	N/A	N/A	N/A	53,761	(8)
Garfield Hills	2006	(1), (2)	N/A	N/A	N/A	N/A	1,163,344	(8)
Hillside	2006	(2)	N/A	N/A	N/A	N/A	-	
Pocasset	2006	(2)	N/A	N/A	N/A	N/A	-	
Hillcrest	2007	(2)	N/A	N/A	N/A	N/A	-	
Bridle Path	2007	(2)	N/A	N/A	N/A	N/A	-	
Chestnut Gardens	2007	(2)	N/A	N/A	N/A	N/A	-	
Dom Narodowy	2007	(2)	N/A	N/A	N/A	N/A	-	
Eastgate	2007	(2)	N/A	N/A	N/A	N/A	-	
Fairweather	2007	(2)	N/A	N/A	N/A	N/A	-	
Fieldstone	2007	(2)	N/A	N/A	N/A	N/A	-	

Notes to the Consolidated Financial Statements
December 31, 2020 and 2019

Entity	Acquisition Year	Guaranty	Construction guaranty maximum amount	Loan Guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2020	
Heritage	2008	(2)	N/A	N/A	N/A	N/A	-	
Cocheco	2008	(2), (3)	N/A	N/A	N/A	N/A	-	
Riverview	2008	(3)	N/A	1,600,000	N/A	N/A	-	
United Front	2008	(1), (2)	N/A	N/A	(7)	1,050,000	-	
WCS	2010	(1), (2), (6)	N/A	N/A	(7)	310,000	-	
Sugar River	2010	(1), (2)	N/A	N/A	(7)	815,000	-	
New Horizons	2010	(2)	N/A	N/A	N/A	N/A	-	
CB Rental	2011	(1), (2)	N/A	N/A	(7)	543,904	24,631	(8)
Cromwell	2011	(2)	N/A	N/A	N/A	N/A	-	
Renaissance	2011	(1), (2)	N/A	N/A	N/A	N/A	-	
Blackstone	2012	(2)	N/A	N/A	N/A	N/A	-	
Franklin	2012	(2)	N/A	N/A	N/A	N/A	-	
Kenmore	2012	(2)	N/A	N/A	N/A	N/A	-	
Peter's Grove	2012	(2)	N/A	N/A	N/A	N/A	-	
Rock Harbor	2012	(2)	N/A	N/A	N/A	N/A	-	
WCN	2012	(1), (2), (6)	N/A	N/A	(7)	162,500	-	
Clay Pond Cove	2012	(1), (2)	N/A	N/A	(7)	393,543	-	
Kings Landing	2013	(2)	N/A	N/A	N/A	N/A	-	
Central Annex	2013	(1), (2), (9)	N/A	N/A	(7)	554,259	-	
Torringford	2013	(1), (2)	N/A	N/A	(7)	413,050	-	
Grace	2013	(1), (2)	N/A	N/A	(7)	702,695	-	
Old Middletown	2014	(1), (2)	N/A	N/A	(7)	700,068	-	
WP Senior	2014	(1), (2), (6)	N/A	N/A	(7)	288,634	-	
Harbor City	2014	(1), (2)	N/A	N/A	(7)	840,000	-	
Dennis	2014	(1), (2)	N/A	N/A	(7)	161,956	-	
Lafayette	2014	(1), (2)	N/A	N/A	(7)	548,000	-	
Briston Arms	2015	(1), (2), (3)	N/A	3,700,000	(7)	4,475,000	-	
Newberry	2015	(1), (2), (3)	N/A	144,241	(7)	524,914	-	
Billings Forge	2015	(1), (2), (9)	N/A	N/A	(7)	620,000	-	
Cherry Briggs	2016	(1), (2)	N/A	N/A	(7)	569,290	-	
Trianon	2016	(2), (3), (10)	N/A	5,500,000	N/A	N/A	278,682	(8)
Brandy Hill	2016	(1), (2)	N/A	N/A	N/A	630,000	-	
Founders	2016	(1), (2)	N/A	N/A	N/A	300,055	-	
Trinity Towers East	2016	(1), (2)	N/A	N/A	N/A	660,404	-	
Trinity Towers South	2016	(1), (2)	N/A	9,450,000	N/A	881,300	-	
Tribune	2016	(1), (2)	N/A	N/A	N/A	441,155	-	
Woodlawn Rollup	2017	(1), (2), (5)	7,115,430	N/A	N/A	1,232,956	515,917	(8)
Woodlawn Station	2017	(1), (2), (3)	N/A	5,000,000	(7)	369,000	-	
Oxford	2017	(1), (2)	N/A	N/A	N/A	685,000	-	
Whittier 1A-4	2018	(1), (2), (5)	(4)	21,500,000	(7)	532,000	-	
Whittier 1A-9	2018	(1), (2), (5)	(4)	7,000,000	(7)	335,000	-	
Bedford	2018	(1), (2), (4)	(4)	N/A	(7)	755,140	-	
Greenwood	2018	(1), (2), (5)	(4)	12,300,000	(7)	928,300	-	
JBL	2019	(1), (2), (4)	(4)	N/A	(7)	400,000	387,989	(8)
Abigail Apartments	2018	(1), (2)	N/A	N/A	(7)	247,500	87,695	(8)
Abington Race & Pleasant	2018	(1), (2)	N/A	N/A	(7)	286,030	174,000	
Baymiller Manor	2018	(1), (2)	N/A	N/A	(7)	99,849	9,144	(8)
Burnet Place	2018	(1), (2)	N/A	N/A	(7)	410,000	70,670	
Losantiville Building	2018	(1), (2)	N/A	N/A	(7)	379,922	28,427	(8)
Losantiville Evanston	2018	(1), (2)	N/A	N/A	(7)	379,922	-	
Magnolia Heights	2018	(1), (2)	N/A	N/A	(7)	328,584	187,058	
Navarre Garrone	2018	(1), (2)	N/A	N/A	(7)	398,328	-	
North Rhine Heights	2018	(1), (2)	N/A	N/A	(7)	264,352	28,023	
OTR Revitalization	2018	(1), (2)	N/A	N/A	(7)	858,068	-	
Pendleton Estates	2018	(1), (2)	N/A	N/A	(7)	147,045	60,213	(8)
Villas of the Valley	2018	(1), (2)	N/A	N/A	(7)	109,352	-	
Villas of the Valley II	2018	(1), (2)	N/A	N/A	(7)	101,632	-	
Wesley Estates	2018	(1), (2)	N/A	N/A	(7)	86,020	54,139	(8)
WH Mainstrasse	2018	(1), (2)	N/A	N/A	(7)	156,531	-	
Helton Pointe	2018	(1)	N/A	N/A	(7)	65,000	-	
South Suburban	2019	(3)	N/A	2,254,586	N/A	N/A	-	
Austin	2019	(3)	N/A	4,500,000	N/A	N/A	-	
Burnham Schoolhouse	2019	(3)	N/A	8,500,000	N/A	N/A	-	
Burnham Manor	2019	(3)	N/A	1,650,000	N/A	N/A	-	
Kerper Apartments	2019	(3)	N/A	790,500	N/A	N/A	-	
Whittier 2	2020	(1), (2), (3), (5)	34,704,358	765,363	(7)	688,781	-	
Sugar Hill	2020	(3), (5)	(4)	10,247,249	N/A	N/A	-	
Gardner Terrace I & II	2020	(3), (5)	(4)	5,650,000	N/A	N/A	-	

Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2020
South Chicago Salud	2020	(1), (2), (3), (5)	(4)	1,658,467	N/A	N/A	-
Mattapan 4	2020	(1), (2), (3), (5)	(4)	40,310,668	(7)	1,028,587	-
Mattapan 9	2020	(1), (2), (3), (5)	(4)	9,015,896	(7)	189,589	-
Farrell House	2020	(1), (2), (3), (5)	(4)	2,574,125	(7)	612,000	-

Types of guarantees
(1) Operating deficits
(2) Tax credit recapture price adjusters
(3) Loan guarantee
(4) Construction rehabilitation completion, per agreement there is no limit on the amount of this guarantee
(5) Construction completion and construction loan guarantee
(6) Financing coverage guarantee
Other
(7) Two to five years from construction completion and/or breakeven
(8) Eliminated in consolidation
(9) Annual commercial income guarantee
(10) Basic rent guarantee per Net Lease

Note 13 - Financial instruments

The Company and its subsidiaries maintain its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes it is not exposed to any significant credit risk on its cash, cash equivalents and other deposits at December 31, 2020 and 2019.

Note 14 - Rent subsidies

For most of the properties, tenants' rents are being subsidized by various federal and state programs. Generally, these programs restrict assistance to those residents who qualify by meeting certain established criteria, including maximum income limitations. A majority of the properties have entered into contracts with HUD to provide the federal subsidies. These contracts expire in years 2020 to 2041. Rent subsidies totaled $111,299,540 and $101,442,050 for 2020 and 2019, respectively.

Note 15 - Net assets with donor restrictions

The Company received the following grants which are included in net assets with donor restrictions at December 31, 2020 and 2019 for either time restrictions or restrictions related to specific program services:

	Balance at December 31, 2020	Balance at December 31, 2019
Home ownership assistance	$ 143,389	$ 143,389
Community resource center	410,882	512,300
Installation of artwork	15,000	15,000
Children savings accounts	67,555	42,555
Family Self Sufficiency	314,684	135,000
Community arts festival	9,945	9,945
Choice endowment	192,804	474,411
Capital Magnet Fund	4,300,000	4,300,000

	Balance at December 31, 2020	Balance at December 31, 2019
Technology assistance	13,000	-
Rental assistance	45,125	-
Trauma-informed care	1,930,084	-
	$ 7,442,468	$ 5,632,600

Note 16 - Limited partnerships and limited liability companies

As of December 31, 2020, the Company owns a general partner or managing member interest in the following entities:

	Entity	Project Location	No. of Units
1)	Driftwood Preservation Associates Limited Partnership	Narragansett, RI	32
2)	Hillside Preservation Associates Limited Partnership	Providence, RI	42
3)	Pocasset Preservation Associates Limited Partnership	Providence, RI	82
4)	Hillcrest Preservation Associates Limited Partnership	Providence, RI	130
5)	Fieldstone Preservation Associates Limited Partnership	Narragansett, RI	24
6)	Heritage Preservation Associates Limited Partnership	North Kingstown, RI	204
7)	Grace Preservation Associates Limited Partnership	Providence, RI	101
8)	Cherry Briggs Preservation Associates Limited Partnership	Johnston & Providence, R	160
9)	Oxford Preservation Associates Limited Partnership	Providence, RI	128
10)	Jefferson Maison East Limited Dividend Housing Association LLC	Detroit, MI	280
11)	Oakland Grand Haven Limited Dividend Housing Association LLC	Troy, MI	297
12)	POAH DD Sugar Hill LLC	Detroil, MI	68
13)	Bridle Path Preservation Associates Limited Partnership	Randolph, MA	104
14)	Chestnut Gardens Preservation Associates Limited Partnership	Lynn, MA	65
15)	Dom Narodowy Polski Preservation Associates Limited Partnership	Chicopee, MA	50
16)	Eastgate Preservation Associates Limited Partnership	Springfield, MA	148
17)	Fairweather Preservation Associates Limited Partnership	Beverly, Danvers,	321
18)	United Front Nine Preservation Associates Limited Partnership	New Bedford, MA	173
19)	Cromwell Preservation Associates Limited Partnership	Hyanis, MA	124
20)	CB Rental Limited Partnership	Bourne, MA	28
21)	Blackstone Preservation Associates Limited Partnership	Boston, MA	145
22)	Franklin Preservation Associates Limited Partnership	Boston, MA	193
23)	Kenmore Abbey Preservation Associates Limited Partnership	Boston, MA	199
24)	Peter's Grove Preservation Associates Limited Partnership	Hudson, MA	96
25)	Rock Harbor Preservation Associates Limited Partnership	Orleans, MA	100
26)	Clay Pond Preservation Associates Limited Partnership	Bourne, MA	45
27)	Kings Landing Preservation Associates Limited Partnership	Brewster, MA	108
28)	Central Annex Preservation Associates Limited Partnership	Pittsfield, MA	101
29)	Dennis Community Housing Preservation Associates Limited Partnership	Dennis, MA	27
30)	Briston Arms Preservation Associates Limited Partnership	Cambridge, MA	154
31)	Founders Court Preservation Associates Limited Partnership	Hyannis, MA	32
32)	Brandy Hill Preservation Associates Limited Partnership	E. Wareham, MA	132
33)	Tribune Preservation Associates Limited Partnership	Framingham, MA	53
34)	Canal Bluffs P3 Preservation Associates Limited Partnership	Bourne, MA	44
35)	Whittier 1A-4 Preservation Associates Limited Partnership	Boston, MA	58
36)	Whittier 1A-9 Preservation Associates Limited Partnership	Boston, MA	34
37)	Whittier 2 Preservation Associates Limited Partnership	Boston, MA	52
38)	Mattapan Station 4 LLC	Boston, MA	114
39)	Mattapan Station 9 LLC	Boston, MA	21
40)	Bedford Village Preservation Associates Limited Partnership	Bedford, MA	124
41)	Woodlen Place Associates Limited Partnership	Kansas City, MO	60
42)	WCS Preservation Associates Limited Partnership	Chicago, IL	67
43)	Renaissance Preservation Associates Limited Partnership	Chicago, IL	117

	Entity	Project Location	No. of Units
44)	WCN Preservation Associates Limited Partnership	Chicago, IL	33
45)	WP Senior Preservation Associates Limited Partnership	Chicago, IL	65
46)	Lafayette Preservation Associates Limited Partnership	Chicago, IL	94
47)	Newberry Park Preservation Associates Limited Partnership	Chicago, IL	84
48)	Woodlawn Station Preservation Associates Limited Partnership	Chicago, IL	70
49)	Woodlawn Roll-up Preservation Associates Limited Partnership	Chicago, IL	196
50)	Greenwood Preservation Associates Limited Partnership	Chicago, IL	122
51)	JBL Preservation Associates Limited Partnership	Chicago, IL	106
52)	Community Housing Partners XI Limited Partnership	Chicago, IL	77
53)	Community Housing Partners X Limited Partnership	Chicago, IL	59
54)	Community Housing Partners XV Limited Partnership	Chicago, IL	30
55)	South Chicago Salud Center Preservation Associates Limited Partnership	Chicago, IL	101
56)	Farrell House I Preservation Associates Limited Partnership	Chicago, IL	59
57)	Garfield Hills Preservation Associates Limited Partnership	Washington, DC	94
58)	Cocheco Preservation Associates Limited Partnership	Dover, NH	78
59)	Sugar River Preservation Associates Limited Partnership	Claremont, NH	162
60)	New Horizons Preservation Associates Limited Partnership	Miami, FL	100
61)	Harbor City Towers LLLP	Melbourne, FL	192
62)	Trinity Towers East Preservation Associates LLLP	Melbourne, FL	156
63)	New Trinity Towers South Preservation Associates LLLP	Melbourne, FL	162
64)	Torringford West Preservation Associates Limited Partnership	Torrington, CT	79
65)	Billings Forge LLC		
66)	Billings Forge Preservation Associates Limited Partnership	Hartford, CT	114
67)	Old Middletown Preservation Associates Limited Partnership	Middletown, CT	65
68)	Abigail Apartments Limited Partnership	Cincinnati, OH	71
69)	Abington Race and Pleasant LLC (not consolidated)	Cincinnati, OH	50
70)	Baymiller Manor Limited Partnership	Cincinnati, OH	31
71)	Burnet Place Limited Partnership (not consolidated)	Cincinnati, OH	62
72)	Fairview Estates Limited Partnership	Cincinnati, OH	28
73)	Kerper Development Limited Partnership	Cincinnati, OH	38
74)	Losantiville Apartments Limited Partnership	Cincinnati, OH	87
75)	Magnolia Heights Limited Partnership (not consolidated)	Cincinnati, OH	98
76)	Navarre Garrone Limited Partnership	Cincinnati, OH	62
77)	North Rhine Heights Limited Partnership (not consolidated)	Cincinnati, OH	65
78)	OTR Revitalization Limited Partnership (not consolidated)	Cincinnati, OH	94
79)	Pendleton Estates Limited Partnership	Cincinnati, OH	42
80)	Wesley Estates Limited Partnership	Cincinnati, OH	29
81)	Villas of the Valley Limited Partnership (not consolidated)	Lincoln Heights, OH	42
82)	Villas of the Valley II Limited Partnership (not consolidated)	Lincoln Heights, OH	35
83)	WH Mainstrasse I LLLP	Convington, KY	41
84)	POAH Aaron Briggs LLC (100% owned by POAH, Inc)		
85)	POAH Fieldstone Apartments LLC (100% owned by POAH, Inc)		
86)	POAH Old Middletown LLC (100% Owned by POAH, Inc)		
87)	POAH Central Annex LLC (100% owned by POAH, Inc)		
88)	SSAH LLC (100% owned by POAH, Inc)	Weymouth, MA	20
89)	POAH Brandy Hill LLC (100% owned by POAH, Inc)		
90)	POAH Ventures LLC (100% owned by POAH, Inc)		
91)	BR Sugar River Limited Partnership (100% owned by POAH, Inc)		
92)	POAH Kings Landing LLC (100% owned by POAH, Inc)		
93)	Riverview Residences Dover LLC (100% owned by POAH, Inc)	Dover, NH	24
94)	POAH Cutler Meadows LLC (100% owned by POAH, Inc)	Miami, FL	225
95)	POAH Cutler Manor LLC (100% owned by POAH, Inc)	Miami, FL	219
96)	POAH Middletowne Apartments LLC (100% owned by POAH, Inc)	Orange Park, FL	100
97)	POAH Campbell Arms LLC (100% owned by POAH, Inc)	Homestead, FL	201
98)	POAH Cutler Manor II LLC (100% owned by POAH, Inc)		
99)	POAH New Horizons, LLC (100% owned by POAH, Inc)		
100)	POAH Trinity Towers East LLC (100% owned by POAH, Inc)		
101)	POAH Trinity Towers West LLC (100% owned by POAH, Inc)		
102)	Trinity Towers South Preservation Associates LLLP (100% owned by POAH, Inc)		
103)	POAH NSP Chicago LLC (100% owned by POAH, Inc)		
104)	POAH Grove Parc Apartments LLC (100% owned by POAH, Inc)		

	Entity	Project Location	No. of Units
105)	POAH Holdings (100% owned by POAH, Inc)		
106)	POAH NMTC2 Title Holding Corporation (100% owned by POAH, Inc)	Chicago, IL	27
107)	POAH Support Corporation (100% owned by POAH, Inc)		
108)	POAH Support Corporation 2 (100% owned by POAH, Inc)		
109)	POAH Greenwood Park LLC (100% owned by POAH, Inc)		
110)	POAH JBL LLC (100% owned by POAH, Inc)		
111)	Community Housing Partners VI Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	55
112)	Community Housing Partners XII Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	26
113)	Corcoran Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	94
114)	POAH Roseland East 110th Place Hold Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	60
115)	POAH Washington Park Indiana Avenue Hold Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	60
116)	Elgin Schoolhouse Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Elgin, IL	27
117)	Elgin Manor Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Elgin, IL	100
118)	POAH South Suburban Y Hold LLC (100% owned by POAH, Inc)	Harvey, IL	120
119)	POAH Harvey East 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
120)	POAH Harvey West 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
121)	Farrell House Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
122)	Crestview Preservation Associates Limited Partnership (100% owned by POAH, Inc.)	Kankakee, IL	132
123)	POAH Gardner Terrace LLC (100% owned by POAH, Inc)	Attleboro, MA	144
124)	POAH Hebronville Mill LLC (100% owned by POAH, Inc)	Attleboro, MA	83
125)	Meadowbrook Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Northampton, MA	252
126)	Washington Gardens Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Hagerstown, MD	100
127)	Colony Plaza AssociatesLimited Partnership (100% owned by POAH, Inc)	Excelsior Springs, MO	111
128)	Country Club Village AssociatesLimited Partnership (100% owned by POAH, Inc)	Springfield, MO	70
129)	Glenwood Manor Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	119
130)	Highland Meadows Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	44
131)	Deerfield Village Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	60
132)	Hawthorne Associates Limited Partnership (100% owned by POAH, Inc)	Independence, MO	745
133)	Country Club Village II Associates - I Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	28
134)	Highland Acres Associates - I Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	35
135)	Houston Plaza Associates - I Limited Partnership (100% owned by POAH, Inc)	Adrian, MO	34
136)	Maplewood Manor Associates - I Limited Partnership (100% owned by POAH, Inc)	Web City, MO	60
137)	Monroe Estates Associates - I Limited Partnership (100% owned by POAH, Inc)	Lebanon, MO	74
138)	Prairie Plains Associates - I Limited Partnership (100% owned by POAH, Inc)	Lamar, MO	50
139)	Crestview Village Associates - I Limited Partnership (100% owned by POAH, Inc)	Liberty, MO	48
140)	Terri Manor Associates LTD (100% owned by POAH, Inc)	Cincinnati, OH	81
141)	Community Manor Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	19
142)	Blacklick Apartments LLC (100% owned by POAH, Inc)	Blacklick, OH	176
143)	Beachwood Preservation Associates LPLimited Partnership (100% owned by POAH, Inc)	Narragansett, RI	56
144)	Southwinds Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Narragansett, RI	48
145)	Salem Heights Preservation Associates Limited Partnership (100% owned by POAH, Inc.)	Salem, MA	283
146)	Barry Farm Redevelopment Associates Limited Partnership (100% owned by POAH, Inc)		
147)	POAH Landowner LLC (100% owned by POAH, Inc)		
			12,140

The majority of these properties qualify for the low-income tax credit in accordance with Section 42 of the Internal Revenue Code. Provisions of Section 42 regulate the use of the Project as to occupancy eligibility and unit gross rent, among other requirements, for 15 years. Most of the properties are subject to these provisions for additional terms in accordance with agreements entered into with the state tax credit agencies. The properties are also controlled by regulatory agreements with lenders and other funding and subsidy sources.

The limited partners or investor members generally own between 99 to 99.99% interest in the properties. Capital contributions are due from these partners or members in installments upon each property's satisfaction of specified conditions, as defined, and are subject to adjustment based on the actual low-income tax credits delivered. These contributions are recorded by the entities when received.

Note 17 - Deferred gain

The Company has purchased various properties and then sold those properties to limited partnerships in which an affiliate of the Company serves as general partner. This related party sale results in a deferred gain.

As part of the purchase of certain of these properties, the Company acquired reserve funds. The Company then used those reserve funds to either fund general partner capital contributions or provide loans to related limited partnerships.

The following is a summary of the deferred gains and related notes receivable:

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable	
Pocasset Manor Apartments	$ 4,589,201	$ 2,340,000	$ 1,067,857	$ 1,181,344	(1)
Hillcrest Village Apartments	300,000	300,000	-	-	
Bridle Path Apartments	2,613,236	844,160	-	3,049,285	(2)
Chestnut Garden Apartments	1,727,285	1,727,285	-	-	
Dom Narodowy Polski Apartments	965,490	912,273	-	53,217	(2)
Eastgate Apartments	6,242,014	3,196,804	-	3,045,210	(2)
Heritage Village II Apartments	4,668,132	1,639,308	-	3,028,824	(3)
New Horizons	200,000	200,000	-	-	
Cromwell Court	872,000	872,000	-	-	
Blackstone	16,658,507	12,485,719	-	4,172,788	(4)
Franklin	16,676,301	16,676,301	-	-	
Kenmore Abbey	17,722,502	12,182,798	-	5,539,704	(5)
Peter's Grove	626,994	626,994	-	-	
Rock Harbor	355,416	355,416	-	-	
King's Landing	2,400,000	2,400,000	-	-	
Grace	157,646	-	-	-	
Chery Hill	444,276	-	-	444,276	(6)
Aaron Briggs	114,098	-	-	114,098	(6)
Tribune	175,800	-	-	175,800	
Brandy Hill	1,356,610	-	-	1,356,610	
	78,865,508	56,759,058	1,067,857	22,161,156	
Gain recognized from receipt of principal payment in prior years	(4,502,220)	(2,766,330)	-	(1,735,890)	
Gain recognized from receipt of principal payment in 2019	(1,385,117)	(640,454)	-	(744,663)	
Gain recognized from receipt of principal payment in 2020	(1,663,058)	(550,280)	-	(1,112,778)	
	$ 71,315,113	$ 52,801,994	$ 1,067,857	$ 18,567,825	

(1) Funds loaned to Pocasset, Hillside and Hillcrest
(2) Funds loaned to Fairweather, Chestnut Gardens and Dom Narodowy
(3) Funds loaned to Heritage and Fieldstone
(4) Funds loaned to Franklin and Rock Harbor
(5) Funds loaned to Franklin and Peter's Grove
(6) Funds loaned to Cherry Briggs

The results of the above transactions are eliminated in consolidation.

Note 18 - Statement of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets as of December 31, 2020 and 2019 that sum to the total of the same amounts in the statements of cash flows:

	2020	2019
Cash and cash equivalents	$ 54,847,515	$ 38,724,829
Restricted cash	3,279,478	1,992,711
Reserves	4,946,482	5,516,493
Restricted reserves	1,940,887	1,423,161
Tenant security deposits	4,188,732	3,868,614
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 69,203,094	$ 51,525,808

The amount included in restricted cash consists of security deposits and family self-sufficiency escrows held in trust for the future benefit of tenants, grant funds received but not yet expended, and Company reserves for operations and capital investments.

Note 19 - CCDC acquisition

In July 2020, POAH completed the acquisition of a group of entities representing 247 rental units together referred to as CCDC. As a result of the acquisition, POAH obtained a controlling interest in five properties, and expanded POAH's property activities in Illinois. The acquisition qualifies as an acquisition of assets. The following table summarizes the acquisition cost and the cost of assets acquired and liabilities assumed recognized at the acquisition date.

	Archer Senior	Clifton Magnolia	Hazel Winthrop	Sunnyside Kenmore	Uptown	Total
Acquisition payments	$ 257,026	$ 1,787,093	$ 315,466	$ 212,997	$ 304,754	$ 2,877,336
Assumed liabilities	4,702,583	7,258,399	6,391,322	2,760,409	3,784,713	24,897,426
Total cost of assets acquired	$ 4,959,609	$ 9,045,492	$ 6,706,788	$ 2,973,406	$ 4,089,467	$ 27,774,762
Financial assets	$ 482,300	$ 2,033,002	$ 887,819	$ 270,601	$ 180,912	$ 3,854,634
Property and fixed assets	4,508,042	7,106,392	5,817,376	2,733,336	3,971,496	24,136,642
Intangible assets	69,892	121,894	67,300	31,876	47,849	338,811
Financial liabilities	(100,625)	(215,796)	(65,707)	(62,407)	(110,790)	(555,325)
	$ 4,959,609	$ 9,045,492	$ 6,706,788	$ 2,973,406	$ 4,089,467	$ 27,774,762
Units	55	59	30	26	77	247

Note 20 - Uncertainties due to COVID-19

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally and on March 11, 2020, the World Health Organization characterized COVID-19 as a global pandemic. As a result, events have occurred, including mandates from federal, state, and local authorities, leading to an overall decline in economic activity. It is anticipated that this decline will continue for some time. There has been no immediate material impact to the Company's financial position, results of operations, or cash flows. Future potential impacts may include disruptions on the collection of development, management, and cash flow fees and an increase to operating costs. The Company is not able to estimate the length or severity of this pandemic and the related financial impact.

Note 21 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes to the consolidated financial statements. Management evaluated the activity of the Company through June 30, 2021 and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements. The following subsequent event is required to be disclosed in the notes to the consolidated financial statements.

POAHC submitted its application for PPP Loan forgiveness prior to December 31, 2020 and received notice from its lender on June 22, 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, POAHC will derecognize the PPP Loan and recognize a corresponding gain on debt forgiveness, which will be included in other income for the year ending December 31, 2021. There is a six-year period during which the SBA can review POAHC's forgiveness calculation.

Supplementary Information

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2020

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Current assets						
Cash and cash equivalents	$ 14,545,173	$ 12,833,057	$ 27,469,285	$ 54,847,515	$ -	$ 54,847,515
Restricted cash	3,285,278	-	-	3,285,278	-	3,285,278
Reserves	4,946,482	-	-	4,946,482	-	4,946,482
Restricted reserves	1,167,964	119,031	653,892	1,940,887	-	1,940,887
Accounts receivable						
Rental - tenants and subsidy	-	1,120,366	2,989,882	4,110,248	(21,100)	4,089,148
Grants receivable	1,515,000	-	-	1,515,000	-	1,515,000
Properties, net of allowance for doubtful accounts	9,127,516	-	-	9,127,516	(8,719,598)	407,918
Development fees	9,247,051	-	-	9,247,051	(9,247,051)	-
Other	156,892	1,134,463	1,316,272	2,607,627	-	2,607,627
Escrow deposits	-	32,430,635	96,913,336	129,343,971	-	129,343,971
Tenant security deposits	23,649	1,558,030	2,607,053	4,188,732	-	4,188,732
Due from affiliates	397,562	684,870	-	1,082,432	(1,082,432)	-
Prepaid expenses	808,608	946,306	1,102,562	2,857,476	-	2,857,476
Note receivable, current	5,048,504	-	-	5,048,504	(5,048,504)	-
Interest on notes receivable	5,564,925	-	-	5,564,925	(5,564,925)	-
Predevelopment costs reimbursable, current	5,456,570	8,973,075	-	14,429,645	(2,165,503)	12,264,142
Total current assets	61,291,174	59,799,833	133,052,282	254,143,289	(31,849,113)	222,294,176
Other assets						
Notes receivable, net of discount	144,236,637	35,061,318	-	179,297,955	(150,825,205)	28,472,750
Investment in partnerships	23,542,876	1,859,465	1,133,889	26,536,230	(25,230,620)	1,305,610
Predevelopment costs reimbursable, net of current	2,615,895	-	-	2,615,895	-	2,615,895
Other assets	939,569	573,584	4,001,589	5,514,742	-	5,514,742
Total other assets	171,334,977	37,494,367	5,135,478	213,964,822	(176,055,825)	37,908,997
Fixed assets						
Land and buildings	938,747	297,086,679	1,196,651,988	1,494,677,414	(247,851,435)	1,246,825,979
Rehabilitation in progress	-	1,958,335	44,325,482	46,283,817	-	46,283,817
Furniture, equipment and leasehold improvements	1,143,286	5,118,723	16,538,515	22,800,524	-	22,800,524
Less: Accumulated depreciation	(354,372)	(78,870,944)	(227,276,171)	(306,501,487)	58,074,572	(248,426,915)
Total fixed assets	1,727,661	225,292,793	1,030,239,814	1,257,260,268	(189,776,863)	1,067,483,405
Total assets	$ 234,353,812	$ 322,586,993	$ 1,168,427,574	$ 1,725,368,379	$ (397,681,801)	$ 1,327,686,578

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2020

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Liabilities						
Current liabilities						
Accounts payable	$ 1,339,488	$ 5,188,136	$ 8,816,067	$ 15,343,691	$ (6,048,155)	$ 9,295,536
Accrued expenses	1,552,843	3,270,538	8,140,186	12,963,567	(12,500)	12,951,067
Accounts payable - development	5,800	3,628,601	49,656,131	53,290,532	(36,120,728)	17,169,804
Accrued interest	230,872	459,489	1,742,877	2,433,238	-	2,433,238
Mortgages payable - properties, current	-	44,014,973	7,896,431	51,911,404	-	51,911,404
Construction loans - properties, current	-	-	38,180,034	38,180,034	-	38,180,034
Loan payable, current	6,245,774	-	-	6,245,774	-	6,245,774
Line of credit, current	2,076,722	-	-	2,076,722	-	2,076,722
Deferred liabilities, current	32,419	-	-	32,419	-	32,419
Tenant security deposits	25,244	1,450,098	2,397,389	3,872,731	-	3,872,731
Prepaid revenue	7,107	524,916	1,285,840	1,817,863	-	1,817,863
Due to affiliates	772,077	3,501,954	2,237,075	6,511,106	(6,143,428)	367,678
Total current liabilities	12,288,346	62,038,705	120,352,030	194,679,081	(48,324,811)	146,354,270
Long-term liabilities						
Loans and notes payable, net of current	37,981,839	-	-	37,981,839	-	37,981,839
Line of credit, net of current	751,929	-	-	751,929	-	751,929
Accrued interest payable - notes payable	957,290	-	-	957,290	-	957,290
Notes payable and accrued interest - properties	-	152,420,810	365,900,545	518,321,355	(205,938,204)	312,383,151
Mortgages payable - properties, net of current	-	110,724,612	430,441,225	541,165,837	-	541,165,837
Interest rate swap	-	154,607	843,327	997,934	-	997,934
Other long-term liabilities	-	-	684,870	684,870	(684,870)	-
Deferred liabilities, net of current	421,913	-	-	421,913	-	421,913
Deferred income	76,191,102	18,592,314	7,254,862	102,038,278	(90,248,094)	11,790,184
Total long-term liabilities	116,304,073	281,892,343	805,124,829	1,203,321,245	(296,871,168)	906,450,077
Total liabilities	128,592,419	343,931,048	925,476,859	1,398,000,326	(345,195,979)	1,052,804,347
Net assets						
Net assets without donor restrictions controlling	97,222,307	(21,344,055)	8,023,977	83,902,229	(39,436,964)	44,465,265
Net assets without donor restrictions noncontrolling	886,618	-	234,926,738	235,813,356	(13,048,858)	222,764,498
Total net assets without donor restrictions	98,108,925	(21,344,055)	242,950,715	319,715,585	(52,485,822)	267,229,763
Net assets with donor restrictions	7,652,468	-	-	7,652,468	-	7,652,468
Total net assets	105,761,393	(21,344,055)	242,950,715	327,368,053	(52,485,822)	274,882,231
Total liabilities and net assets	$ 234,353,812	$ 322,586,993	$ 1,168,427,574	$ 1,725,368,379	$ (397,681,801)	$ 1,327,686,578

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year ended December 31, 2020

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Support and revenue						
Rental income	$ 194,789	$ 46,917,380	$ 109,732,768	$ 156,844,937	$ -	$ 156,844,937
Grant income	2,793,375	228,877	312,816	3,335,068	-	3,335,068
Grant income, capital investments	151,581	-	-	151,581	-	151,581
Contribution income	25,000	-	-	25,000	-	25,000
Developer fee revenue	11,386,406	-	-	11,386,406	(7,118,595)	4,267,811
Cash flow from properties	2,745,396	-	-	2,745,396	(2,745,396)	-
Property management and related fees	10,426,240	-	-	10,426,240	(9,089,844)	1,336,396
Reimbursable salaries and expenses	22,806,764	-	-	22,806,764	(21,917,497)	889,267
Gain on receipt of mortgage note	1,663,058	-	-	1,663,058	(1,663,058)	-
Gain on prepayment of notes receivable	90,386	-	-	90,386	(90,386)	-
Interest income	5,532,130	396,674	440,867	6,369,671	(5,467,452)	902,219
Loss on investment in partnership	-	-	(93,710)	(93,710)	-	(93,710)
Investment Income	880,215	-	-	880,215	(881,996)	(1,781)
Other income	536,555	2,200,325	2,685,444	5,422,324	(381,314)	5,041,010
	59,231,895	49,743,256	113,078,185	222,053,336	(49,355,538)	172,697,798
Net assets released from restrictions	-	-	-	-	-	-
Total support and revenue	59,231,895	49,743,256	113,078,185	222,053,336	(49,355,538)	172,697,798
Expenses						
Personnel	17,477,030	-	-	17,477,030	-	17,477,030
Development expense	4,052,425	-	-	4,052,425	(1,073,417)	2,979,008
Professional services	1,191,234	-	-	1,191,234	-	1,191,234
Contributions and grants made	123,894	-	-	123,894	-	123,894
Rental	1,270,421	-	-	1,270,421	-	1,270,421
Taxes and insurance	441,849	-	-	441,849	-	441,849
Travel and lodging	313,760	-	-	313,760	-	313,760
Interest	1,856,114	-	-	1,856,114	-	1,856,114
Reimbursable salaries and expenses	22,806,764	-	-	22,806,764	(21,917,497)	889,267
Property operations	230,422	34,620,833	68,459,172	103,310,427	(9,353,655)	93,956,772
Property mortgage interest	35,191	13,967,155	31,370,916	45,373,262	(5,720,652)	39,652,610
Office and administration	1,236,011	-	-	1,236,011	-	1,236,011
Depreciation and amortization	170,263	8,193,039	31,271,476	39,634,778	(7,848,670)	31,786,108
Community impact	2,122,626	-	-	2,122,626	-	2,122,626
Bad debt expense	232,676	-	-	232,676	-	232,676
Miscellaneous	93,822	-	-	93,822	-	93,822
Total expenses	53,654,502	56,781,027	131,101,564	241,537,093	(45,913,891)	195,623,202
Excess of revenue over expenses (expenses over revenue)	5,577,393	(7,037,771)	(18,023,379)	(19,483,757)	(3,441,647)	(22,925,404)
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests	57,682	-	(18,021,577)	(17,963,895)	-	(17,963,895)
Excess of revenue over expenses (expenses over revenue) attributable to the Company	$ 5,519,711	$ (7,037,771)	$ (1,802)	$ (1,519,862)	$ (3,441,647)	$ (4,961,509)

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets
Year ended December 31, 2020

	Net assets without donor restrictions										Net assets with donor restrictions	Net assets
	Controlling					Noncontrolling						
	Core Operating Companies	Wholly Owned	LP	Eliminations	Subtotal	Core Operating Companies	LP	Eliminations	Subtotal	Total	Controlling	Total
Beginning balance, January 1, 2020	$ 92,847,165	$ (11,986,270)	$ 5,538,425	$ (36,045,474)	$ 50,353,846	$ 1,522,299	$ 223,182,044	$ (13,048,858)	$ 211,655,485	$ 262,009,331	$ 5,632,600	$ 267,641,931
Acquisition of ownership interest	-	469,908	2,511,369	-	2,981,277	-	-	-	-	2,981,277	-	2,981,277
Transfer of limited partnership interest to controlling	-	(1,888,481)	-	-	(1,888,481)	-	1,888,481	-	1,888,481	-	-	-
Capital contributions from noncontrolling interests	-	-	-	-	-	-	28,155,499	-	28,155,499	28,155,499	-	28,155,499
Capital contributions from the Company	-	966,485	1,843,947	(2,810,432)	-	-	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	(693,363)	(277,709)	-	(971,072)	(971,072)	-	(971,072)
Distributions to the Company	-	(1,867,926)	(82,982)	1,950,908	-	-	-	-	-	-	-	-
Other changes in equity	875,299	-	(1,784,980)	909,681	-	-	-	-	-	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	-	-	57,682	(18,021,577)	-	(17,963,895)	(17,963,895)	-	(17,963,895)
Excess of revenue (expenses) attributable to the Company	3,499,843	(7,037,771)	(1,802)	(3,441,647)	(6,981,377)	-	-	-	-	(6,981,377)	2,019,868	(4,961,509)
Ending balance, December 31, 2020	$ 97,222,307	$ (21,344,055)	$ 8,023,977	$ (39,436,964)	$ 44,465,265	$ 886,618	$ 234,926,738	$ (13,048,858)	$ 222,764,498	$ 267,229,763	$ 7,652,468	$ 274,882,231

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2020

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 5,577,393	$ (7,037,771)	$ (18,023,379)	$ (19,483,757)	$ (3,441,647)	$ (22,925,404)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities						
Gain (loss) on investment in partnership	-	-	(93,710)	(93,710)	-	(93,710)
Investment income	(880,215)	-		(880,215)	878,434	(1,781)
Depreciation and amortization	170,264	8,193,039	31,271,476	39,634,779	(7,848,670)	31,786,109
Amortization of debt issuance costs	35,615	575,594	968,681	1,579,890	-	1,579,890
Change in fair market value of interest rate swaps	-	(354,041)	331,254	(22,787)	-	(22,787)
Forgiveness of debt	-	(574,311)	(197,635)	(771,946)	-	(771,946)
Changes in						
Accounts receivable	(3,850,214)	(703,593)	(3,040,615)	(7,594,422)	4,170,873	(3,423,549)
Predevelopment costs reimbursable	1,998,461	(2,563,108)	-	(564,647)	442,560	(122,087)
Prepaid expenses and other assets	(273,089)	(584,470)	(267,380)	(1,124,939)	-	(1,124,939)
Accounts payable and accrued expenses	(32,139)	2,137,651	6,086,556	8,192,068	(4,831,666)	3,360,402
Prepaid and deferred revenues	488,391	1,728,851	689,930	2,907,172	-	2,907,172
Tenant security deposits	14,744	105,910	144,961	265,615	-	265,615
Due to affiliates, net	145,213	320,215	(192,051)	273,377	(1,178,191)	(904,814)
Net cash provided by (used in) operating activities	3,394,424	1,243,966	17,678,088	22,316,478	(11,808,307)	10,508,171
Cash flows from investing activities						
Escrow deposits and restricted reserves, net	1,100	(5,945,341)	(30,808,496)	(36,752,737)	-	(36,752,737)
Advances on notes receivable and accrued interest	(13,103,396)	(22,269,317)	-	(35,372,713)	-	(35,372,713)
Repayments of notes receivable and accrued interest	13,503,196	348,801	-	13,851,997	(2,330,264)	11,521,733
Purchase of limited partner interest	(51,934)	-	-	(51,934)	51,934	-
Distributions received from subsidiary	(2,877,335)	-	-	(2,877,335)	2,877,335	-
Contributions to partnerships	(903,567)	(1,721,205)	(73,941)	(2,698,713)	2,624,772	(73,941)
Distributions from partnerships	22,689	-	-	22,689	(22,689)	-
Cash paid for fixed assets	(834,615)	(5,405,210)	(92,133,729)	(98,373,554)	15,095,589	(83,277,965)
Net cash (used in) provided by investing activities	(4,243,862)	(34,992,272)	(123,016,166)	(162,252,300)	18,296,677	(143,955,623)
Cash flows from financing activities						
Proceeds from line of credit	330,000	-	-	330,000	-	330,000
Payments on line of credit	(1,293,831)	-	-	(1,293,831)	-	(1,293,831)
Proceeds from notes and mortgages payable	23,543,856	59,840,900	127,481,414	210,866,170	(3,952,481)	206,913,689
Payment on notes and mortgages payable	(8,518,499)	(19,896,799)	(47,615,559)	(76,030,857)	-	(76,030,857)
Deferred income	(1,663,058)	-	-	(1,663,058)	(1,676,365)	(3,339,423)
Debt issuance costs paid	(57,388)	(651,748)	(1,676,788)	(2,385,924)	-	(2,385,924)
Syndication and tax credit costs paid	-	-	(253,343)	(253,343)	-	(253,343)
Distributions paid to partners	(693,363)	(1,867,926)	(360,691)	(2,921,980)	1,950,908	(971,072)
Partners capital contributions received	-	966,485	29,999,446	30,965,931	(2,810,432)	28,155,499
Net cash provided by (used in) financing activities	11,647,717	38,390,912	107,574,479	157,613,108	(6,488,370)	151,124,738

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2020

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Net increase in cash, cash equivalents, and restricted cash	$ 10,798,279	$ 4,642,606	$ 2,236,401	$ 17,677,286	$ -	$ 17,677,286
Cash, cash equivalents, and restricted cash, beginning of year	13,164,467	9,867,512	28,493,829	51,525,808	-	51,525,808
Cash, cash equivalents, and restricted cash, end of year	$ 23,962,746	$ 14,510,118	$ 30,730,230	$ 69,203,094	$ -	$ 69,203,094
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 1,580,078	$ 6,729,608	$ 21,347,648	$ 29,657,334	$ -	$ 29,657,334
Schedule of noncash investing activities						
Fixed asset costs incurred	$ 834,615	$ 20,145,173	$ 86,052,010	$ 107,031,798	$ (24,030,138)	$ 83,001,660
Fixed assets assets sold in connection with common control transaction	-	(15,366,867)	-	(15,366,867)	-	(15,366,867)
Accounts payable - development, beginning of year	-	4,255,505	55,737,850	59,993,355	45,055,277	105,048,632
Accounts payable - development, end of year	-	(3,628,601)	(49,656,131)	(53,284,732)	(36,120,728)	(89,405,460)
Cash paid for fixed assets	$ 834,615	$ 5,405,210	$ 92,133,729	$ 98,373,554	$ (15,095,589)	$ 83,277,965
Transfer of fixed assets	$ -	$ 20,990,311	$ (20,990,311)	$ -	$ -	$ -
Deferred liability included in residual receipts escrow	$ -	$ 328,999	$ 5,948	$ 334,947	$ -	$ 334,947
Increase in interest on notes receivable for acquistions under common control	$ 281,098	$ -	$ (281,098)	$ -	$ -	$ -
Schedule of noncash financing activities						
(Decrease) increase in liabilities due to interest rate swap	$ -	$ (354,041)	$ 331,254	$ (22,787)	$ -	$ (22,787)

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2020

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Current assets					
Cash and cash equivalents	$ 4,953,717	$ 9,591,456	$ 14,545,173	$ -	$ 14,545,173
Restricted cash	3,285,278	-	3,285,278	-	3,285,278
Reserves	4,946,482	-	4,946,482	-	4,946,482
Restricted reserves	1,162,164	5,800	1,167,964	-	1,167,964
Accounts receivable			-		
Grants receivable	1,515,000	-	1,515,000	-	1,515,000
Properties, net of allowance for doubtful accounts	1,042,532	8,084,984	9,127,516	-	9,127,516
Development fees	-	9,247,051	9,247,051	-	9,247,051
Other	102,370	54,522	156,892	-	156,892
Due from affiliates	1,232,486	2,957,829	4,190,315	(3,792,753)	397,562
Prepaid expenses	374,307	434,301	808,608	-	808,608
Note receivable, current	4,218,972	829,532	5,048,504	-	5,048,504
Interest on notes receivable	95,237	5,469,688	5,564,925	-	5,564,925
Predevelopment costs reimbursable, current	761,408	6,941,032	7,702,440	(2,245,870)	5,456,570
Tenant security deposits	-	23,649	23,649	-	23,649
Total current assets	23,689,953	43,639,844	67,329,797	(6,038,623)	61,291,174
Other assets					
Notes receivable, net of discount	23,994,095	120,242,542	144,236,637	-	144,236,637
Investment in companies	58,617,046	-	58,617,046	(58,617,046)	-
Investment in partnerships	23,429,919	112,957	23,542,876	-	23,542,876
Predevelopment costs reimbursable, net of current	-	2,615,895	2,615,895	-	2,615,895
Other assets	849,629	89,940	939,569	-	939,569
Total other assets	106,890,689	123,061,334	229,952,023	(58,617,046)	171,334,977
Fixed assets					
Land and buildings	-	938,747	938,747	-	938,747
Furniture, equipment and leasehold improvements	792,604	350,682	1,143,286	-	1,143,286
Less: Accumulated depreciation	(8,425)	(345,947)	(354,372)	-	(354,372)
Total fixed assets	784,179	943,482	1,727,661	-	1,727,661
Total assets	$ 131,364,821	$ 167,644,660	$ 299,009,481	$ (64,655,669)	$ 234,353,812

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2020

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Liabilities					
Current liabilities					
Accounts payable	$ 234,138	$ 1,105,350	$ 1,339,488	$ -	$ 1,339,488
Accrued expenses	235,467	1,317,376	1,552,843	-	1,552,843
Accounts payable - development	-	5,800	5,800	-	5,800
Accrued interest	116,413	114,459	230,872	-	230,872
Loan payable, current	909,221	5,336,553	6,245,774	-	6,245,774
Line of credit, current	-	2,076,722	2,076,722	-	2,076,722
Deferred liabilities, current	-	32,419	32,419	-	32,419
Tenant security deposit	-	25,244	25,244	-	25,244
Prepaid revenue	-	7,107	7,107	-	7,107
Due to affiliates	5,349,903	1,460,797	6,810,700	(6,038,623)	772,077
Total current liabilities	6,845,142	11,481,827	18,326,969	(6,038,623)	12,288,346
Long-term liabilities					
Loans and notes payable, net of current	13,956,068	24,025,771	37,981,839	-	37,981,839
Line of credit, net of current	-	751,929	751,929	-	751,929
Accrued interest payable - notes payable	-	957,290	957,290	-	957,290
Deferred liabilities, net of current	287,533	134,380	421,913	-	421,913
Deferred income	5,401,303	70,789,799	76,191,102	-	76,191,102
Total long-term liabilities	19,644,904	96,659,169	116,304,073	-	116,304,073
Total liabilities	26,490,046	108,140,996	134,631,042	(6,038,623)	128,592,419
Net assets					
Net assets without donor restrictions controlling	97,222,307	58,617,046	155,839,353	(58,617,046)	97,222,307
Net assets without donor restrictions noncontrolling	-	886,618	886,618	-	886,618
Total net assets without donor restrictions	97,222,307	59,503,664	156,725,971	(58,617,046)	98,108,925
Net assets with donor restrictions	7,652,468	-	7,652,468	-	7,652,468
Total net assets	104,874,775	59,503,664	164,378,439	(58,617,046)	105,761,393
Total liabilities and net assets	$ 131,364,821	$ 167,644,660	$ 299,009,481	$ (64,655,669)	$ 234,353,812

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - Core Operating Companies
Year ended December 31, 2020

	POAH INC without donor restrictions	POAH INC with donor restriction	POAH LLC	Subtotal	Elimination	Total
Support and revenue						
Rental income	$ -	$ -	$ 194,789	$ 194,789	$ -	$ 194,789
Grant income	92,250	2,701,125	-	2,793,375	-	2,793,375
Grant income, capital investments	151,581	-	-	151,581	-	151,581
Contribution income	-	25,000	-	25,000	-	25,000
Developer fee revenue	-	-	11,386,406	11,386,406	-	11,386,406
Cash flow from properties	1,044,884	-	1,700,512	2,745,396	-	2,745,396
Property management and related fees	-	-	10,426,240	10,426,240	-	10,426,240
Reimbursable salaries and expenses	-	-	22,806,764	22,806,764	-	22,806,764
Gain on receipt of mortgage note	-	-	1,663,058	1,663,058	-	1,663,058
Gain on prepayment of notes receivable	-	-	90,386	90,386	-	90,386
Interest income	325,272	-	5,206,858	5,532,130	-	5,532,130
Investment income	6,915,306	-	61,023	6,976,329	(6,096,114)	880,215
Other income	17,356	215,846	303,353	536,555	-	536,555
	8,546,649	2,941,971	53,839,389	65,328,009	(6,096,114)	59,231,895
Net assets released from restrictions	922,103	(922,103)	-	-	-	-
Total support and revenue	9,468,752	2,019,868	53,839,389	65,328,009	(6,096,114)	59,231,895
Expenses						
Personnel	1,323,757	-	16,153,273	17,477,030	-	17,477,030
Development expense	394	-	4,052,031	4,052,425	-	4,052,425
Professional services	539,315	-	651,919	1,191,234	-	1,191,234
Contributions and grants made	90,894	-	33,000	123,894	-	123,894
Rental and utilities	323,035	-	947,386	1,270,421	-	1,270,421
Taxes and insurance	392,526	-	49,323	441,849	-	441,849
Travel and lodging	50,486	-	263,274	313,760	-	313,760
Interest expense	903,467	-	952,647	1,856,114	-	1,856,114
Reimbursable salaries and expenses	-	-	22,806,764	22,806,764	-	22,806,764
Property operations	-	-	230,422	230,422	-	230,422
Property mortage interest	-	-	35,191	35,191	-	35,191
Office and administration	88,000	-	1,148,011	1,236,011	-	1,236,011
Depreciation and amortization	8,425	-	161,838	170,263	-	170,263
Community impact	2,122,626	-	-	2,122,626	-	2,122,626
Bad debt expense	-	-	232,676	232,676	-	232,676
Miscellaneous	70,984	-	22,838	93,822	-	93,822
Total expenses	5,913,909	-	47,740,593	53,654,502	-	53,654,502
Excess of revenue over expenses	3,554,843	2,019,868	6,098,796	11,673,507	(6,096,114)	5,577,393
Excess of revenue over expenses attributable to noncontrolling interests	-	-	57,682	57,682	-	57,682
Excess of revenue over expenses attributable to the Company	$ 3,554,843	$ 2,019,868	$ 6,041,114	$ 11,615,825	$ (6,096,114)	$ 5,519,711

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - Core Operating Companies
Year ended December 31, 2020

	Net assets without donor restrictions						Net assets with donor restrictions	
	Controlling				Noncontrolling		Controlling	
	POAH INC	POAH LLC	Eliminations	Subtotal	POAH LLC	Total	POAH INC	Total
Beginning balance, January 1, 2020	$ 92,792,165	$ 61,553,810	$ (61,498,810)	$ 92,847,165	$ 1,522,299	$ 94,369,464	$ 5,632,600	$ 100,002,064
Distribution to member	-	(9,853,177)	9,853,177	-	-	-	-	-
Distribution to noncontrolling member	-	-	-	-	(693,363)	(693,363)	-	(693,363)
Other changes in equity	875,299	875,299	(875,299)	875,299	-	875,299	-	875,299
Excess of revenue over expenses to noncontrolling interest	-	-	-	-	57,682	57,682	-	57,682
Excess of revenue over expenses to Company	3,554,843	6,041,114	(6,096,114)	3,499,843	-	3,499,843	2,019,868	5,519,711
Ending balance, December 31, 2020	$ 97,222,307	$ 58,617,046	$ (58,617,046)	$ 97,222,307	$ 886,618	$ 98,108,925	$ 7,652,468	$ 105,761,393

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2020

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Cash flows from operating activities					
Excess of revenue over expenses	$ 5,574,711	$ 6,098,796	$ 11,673,507	$ (6,096,114)	$ 5,577,393
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities					
Investment income (loss)	(6,915,306)	(61,023)	(6,976,329)	6,096,114	(880,215)
Depreciation expense	8,425	161,839	170,264	-	170,264
Amortization of debt issuance costs	16,686	18,929	35,615	-	35,615
Changes in					
Accounts receivable	(1,686,595)	(2,163,619)	(3,850,214)	-	(3,850,214)
Predevelopment costs reimbursable	4,154,995	(2,156,534)	1,998,461	-	1,998,461
Prepaid expenses and other assets	(75,109)	(197,980)	(273,089)	-	(273,089)
Accounts payable and accrued expenses	(93,893)	61,754	(32,139)	-	(32,139)
Prepaid and deferred revenues	204,960	283,431	488,391	-	488,391
Tenant security deposits liabilities	-	14,744	14,744	-	14,744
Due to affiliates, net	(3,661,832)	3,807,045	145,213	-	145,213
Net cash (used in) provided by operating activities	(2,472,958)	5,867,382	3,394,424	-	3,394,424
Cash flows from investing activities					
Escrow deposits and restricted reserves, net	-	1,100	1,100	-	1,100
Advances on notes receivable and accrued interest	(2,930,361)	(10,173,035)	(13,103,396)	-	(13,103,396)
Repayments of notes receivable and accrued interest	6,325,241	7,177,955	13,503,196	-	13,503,196
Purchase of limited partner interest	-	(51,934)	(51,934)	-	(51,934)
Distributions received from subsidiary	(2,877,335)	-	(2,877,335)	-	(2,877,335)
Contributions to partnerships	(903,567)	-	(903,567)	-	(903,567)
Distributions from partnerships	22,689	-	22,689	-	22,689
Distribution from member	9,853,177	-	9,853,177	(9,853,177)	-
Cash paid for fixed assets	(792,604)	(42,011)	(834,615)	-	(834,615)
Net cash provided by (used in) investing activities	8,697,240	(3,087,925)	5,609,315	(9,853,177)	(4,243,862)
Cash flows from financing activities					
Proceeds from line of credit	-	330,000	330,000	-	330,000
Payments on line of credit	-	(1,293,831)	(1,293,831)	-	(1,293,831)
Proceeds from notes payable	6,711,613	16,832,243	23,543,856	-	23,543,856
Payment on notes payable	(7,678,322)	(840,177)	(8,518,499)	-	(8,518,499)
Debt issuance costs	-	(57,388)	(57,388)	-	(57,388)
Deferred income	-	(1,663,058)	(1,663,058)	-	(1,663,058)
Distributions to members	-	(10,546,540)	(10,546,540)	9,853,177	(693,363)
Net cash (used in) provided by financing activities	(966,709)	2,761,249	1,794,540	9,853,177	11,647,717

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
For the year ended December 31, 2020

	POAH, Inc	POAH LLC	Subtotal	Elimination	Total
Net increase in cash and cash equivalents	5,257,573	5,540,706	10,798,279	-	10,798,279
Cash, cash equivalents, and restricted cash, beginning of year	9,090,068	4,074,399	13,164,467	-	13,164,467
Cash, cash equivalents, and restricted cash, end of year	$ 14,347,641	$ 9,615,105	$ 23,962,746	$ -	$ 23,962,746
Supplemental disclosure of cash flow activities					
Cash paid for interest	$ 776,642	$ 803,436	$ 1,580,078	$ -	$ 1,580,078
Schedule of noncash investing activities					
Increase in interest on notes receivable for acquisitions under common control	$ 281,098	$ 281,098	$ 562,196	$ (281,098)	$ 281,098

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2020

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Current assets						
Cash and cash equivalents	$ 6,720,314	$ 2,861,874	$ -	$ 9,268	$ -	$ 9,591,456
Restricted reserves	-	-	-	5,800	-	5,800
Accounts receivable						
Properties, net of allowance for doubtful accounts	1,805,829	6,394,589	-	26,975	(142,409)	8,084,984
Development fees	9,082,430	-	164,621	-	-	9,247,051
Other	32,679	21,843	-	-	-	54,522
Due from related parties	3,489,619	851,647	-	-	(1,383,437)	2,957,829
Prepaid expenses	78,232	356,069	-	-	-	434,301
Note receivable, current	829,532	-	-	-	-	829,532
Interest on notes receivable	5,334,131	-	135,557	-	-	5,469,688
Predevelopment costs reimbursable	6,941,032	-	-	-	-	6,941,032
Tenant security deposits	-	-	-	23,649	-	23,649
Total current assets	34,313,798	10,486,022	300,178	65,692	(1,525,846)	43,639,844
Other assets						
Notes receivable, net of discount and current	115,407,531	-	4,835,011	-	-	120,242,542
Investment in companies	5,976,824	-	-	-	(5,976,824)	-
Investment in partnerships	(155,936)	-	-	-	268,893	112,957
Predevelopment costs reimbursable, net of current	2,615,895	-	-	-	-	2,615,895
Other assets	50,730	39,210	-	-	-	89,940
Total other assets	123,895,044	39,210	4,835,011	-	(5,707,931)	123,061,334
Fixed assets						
Land and buildings	-	-	-	938,747	-	938,747
Furniture, equipment and leasehold improvements	173,150	177,532	-	-	-	350,682
Less: Accumulated depreciation	(135,147)	(121,783)	-	(89,017)	-	(345,947)
Total fixed assets	38,003	55,749	-	849,730	-	943,482
Total assets	$ 158,246,845	$ 10,580,981	$ 5,135,189	$ 915,422	$ (7,233,777)	$ 167,644,660

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2020

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Liabilities						
Current liabilities						
Accounts payable	$ 945,530	$ 136,795	$ -	$ 23,025	$ -	$ 1,105,350
Accrued expenses	189,071	1,128,305	-	-	-	1,317,376
Development costs payable	-	-	-	5,800	-	5,800
Accrued interest	72,211	39,267	-	2,981	-	114,459
Loan payable, current	5,336,553	-	-	-	-	5,336,553
Line of credit, current	2,076,722	-	-	-	-	2,076,722
Deferred liabilities, current	6,865	25,554	-	-	-	32,419
Tenant security deposits	-	-	-	25,244	-	25,244
Prepaid revenue	-	-	-	7,107	-	7,107
Due to related parties	720,806	1,695,584	142,409	427,844	(1,525,846)	1,460,797
Total current liabilities	9,347,758	3,025,505	142,409	492,001	(1,525,846)	11,481,827
Long-term liabilities						
Loans and notes payable, net of current	17,842,133	5,491,324	-	692,314	-	24,025,771
Line of credit, net of current	751,929	-	-	-	-	751,929
Accrued interest payable - notes payable	957,290	-	-	-	-	957,290
Deferred liabilities, net of current	38,181	96,199	-	-	-	134,380
Deferred income	70,692,508	97,291	-	-	-	70,789,799
Total long-term liabilities	90,282,041	5,684,814	-	692,314	-	96,659,169
Total liabilities	99,629,799	8,710,319	142,409	1,184,315	(1,525,846)	108,140,996
Net assets						
Net assets without donor restrictions controlling	58,617,046	1,870,662	4,106,162	(268,893)	(5,707,931)	58,617,046
Net assets without donor restrictions noncontrolling	-	-	886,618	-	-	886,618
Total net assets without donor restrictions	58,617,046	1,870,662	4,992,780	(268,893)	(5,707,931)	59,503,664
Total liabilities and net assets	$ 158,246,845	$ 10,580,981	$ 5,135,189	$ 915,422	$ (7,233,777)	$ 167,644,660

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - POAH LLC
Year ended December 31, 2020

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Support and revenue						
Rental income	$ -	$ -	$ -	$ 194,789	$ -	$ 194,789
Development and other fee revenue from properties	11,217,695	-	168,711	-	-	11,386,406
Cash flow from properties	1,842,921	-	-	-	(142,409)	1,700,512
Property management and related fees	-	10,426,240	-	-	-	10,426,240
Reimbursable salaries and expenses	-	22,806,764	-	-	-	22,806,764
Gain on receipt of mortgage note	1,663,058	-	-	-	-	1,663,058
Gain on prepayment of notes receivable	90,386	-	-	-	-	90,386
Interest income	5,097,295	1,033	108,500	30	-	5,206,858
Investment income	728,252	-	-	-	(667,229)	61,023
Other income	127,576	175,777	-	-	-	303,353
Total support and revenue	20,767,183	33,409,814	277,211	194,819	(809,638)	53,839,389
Expenses						
Personnel	8,053,372	8,099,901	-	-	-	16,153,273
Development expense	3,997,031	-	142,409	-	(87,409)	4,052,031
Professional services	469,906	182,013	-	-	-	651,919
Contributions and grants made	33,000	-	-	-	-	33,000
Rental and utilities	592,389	354,997	-	-	-	947,386
Taxes and insurance	1,548	47,775	-	-	-	49,323
Travel and lodging	44,010	219,264	-	-	-	263,274
Interest expense	913,380	39,267	-	-	-	952,647
Reimbursable salaries and expenses	-	22,806,764	-	-	-	22,806,764
Property operations	-	-	-	230,422	-	230,422
Property mortgage interest	-	-	-	35,191	-	35,191
Office and administration	532,876	615,135	-	-	-	1,148,011
Depreciation and amortization	18,106	84,549	-	59,183	-	161,838
Bad debt expense	-	232,676	-	-	-	232,676
Miscellaneous	15,451	7,387	-	-	-	22,838
Total expenses	14,671,069	32,689,728	142,409	324,796	(87,409)	47,740,593
Excess of revenue over expenses (expenses over revenue)	6,096,114	720,086	134,802	(129,977)	(722,229)	6,098,796
Excess of revenue over expenses attributable to noncontrolling interest	-	-	(57,682)	-	-	(57,682)
Excess of revenue over expenses (expenses over revenue) attributable to the Company	$ 6,096,114	$ 720,086	$ 77,120	$ (129,977)	$ (722,229)	$ 6,041,114

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - POAH LLC
Year ended December 31, 2020

	Controlling						Noncontrolling	
	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Subtotal	PTLHC	Total
Balance at January 1, 2020	$ 61,498,810	$ 1,550,576	$ 3,641,469	$ (138,916)	$ (4,998,129)	$ 61,553,810	$ 1,522,299	$ 63,076,109
Distributions to the member	(9,853,177)	(400,000)	-	-	400,000	(9,853,177)	-	(9,853,177)
Distributions to noncontrolling member	-	-	-	-	-	-	(693,363)	(693,363)
Other changes in equity								
Common control - interest	281,098	-	71,465	-	(71,465)	281,098	-	281,098
Common control - principal	594,201	-	316,108	-	(316,108)	594,201	-	594,201
Excess of revenue over expenses attributable to noncontrolling interest	-	-	-	-	-	-	57,682	57,682
Excess of revenue over expenses (expenses over revenue) attributable to the Company	6,096,114	720,086	77,120	(129,977)	(722,229)	6,041,114	-	6,041,114
Balance at December 31, 2020	$ 58,617,046	$ 1,870,662	$ 4,106,162	$ (268,893)	$ (5,707,931)	$ 58,617,046	$ 886,618	$ 59,503,664

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flow - POAH LLC
Year ended December 31, 2020

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 6,096,114	$ 720,086	$ 134,802	$ (129,977)	$ (722,229)	$ 6,098,796
Investment income	(728,252)	-	-	-	667,229	(61,023)
Depreciation and amortization expense	18,106	84,550	-	59,183	-	161,839
Amortization of debt issuance costs	18,929	-	-	-	-	18,929
Changes in						
Accounts receivable	1,927,435	(4,152,473)	86,867	(25,448)	-	(2,163,619)
Predevelopment costs reimbursable	(2,156,534)	-	-	-	-	(2,156,534)
Prepaid expenses and other assets	(81,273)	(116,707)	-	-	-	(197,980)
Accounts payable and accrued expenses	(71,542)	163,566	-	(30,270)	-	61,754
Prepaid revenue and deferred liabilities	200,062	76,262	-	7,107	-	283,431
Tenant security deposits liabilities	-	-	-	14,744	-	14,744
Due to affiliates, net	3,402,975	187,005	(126)	162,191	55,000	3,807,045
Net cash provided by (used in) operating activities	8,626,020	(3,037,711)	221,543	57,530	-	5,867,382
Cash flows from investing activities						
Escrow deposit and restricted reserves, net	-	-	-	1,100	-	1,100
Cash paid for fixed assets	-	-	-	(42,011)	-	(42,011)
Advances on notes receivable and accrued interest	(10,064,535)	-	(108,500)	-	-	(10,173,035)
Repayment of notes receivable and accrued interest	6,597,635	-	580,320	-	-	7,177,955
Purchase of limited partner Interest	(51,934)	-	-	-	-	(51,934)
Distribution from subsidiary	400,000	-	-	-	(400,000)	-
Net cash (used in) provided by investing activities	(3,118,834)	-	471,820	(40,911)	(400,000)	(3,087,925)
Cash flows from financing activities						
Proceeds from line of credit	330,000	-	-	-	-	330,000
Payments on line of credit	(1,293,831)	-	-	-	-	(1,293,831)
Proceeds from notes payable	11,340,919	5,491,324	-	-	-	16,832,243
Payments on note payable	(840,177)	-	-	-	-	(840,177)
Deferred income	(1,663,058)	-	-	-	-	(1,663,058)
Debt issuance costs	(57,388)	-	-	-	-	(57,388)
Distributions to member	(9,853,177)	(400,000)	(693,363)	-	400,000	(10,546,540)
Net cash (used in) provided by financing activities	(2,036,712)	5,091,324	(693,363)	-	400,000	2,761,249

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flow - POAH LLC
Year ended December 31, 2020

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Net increase in cash, cash equivalents, and restricted cash	3,470,474	2,053,613	-	16,619	-	5,540,706
Cash, cash equivalents, and restricted cash, beginning	3,249,840	808,261	-	16,298	-	4,074,399
Cash, cash equivalents, and restricted cash, ending	$ 6,720,314	$ 2,861,874	$ -	$ 32,917	$ -	$ 9,615,105
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 768,245	$ -	$ -	$ 35,191	$ -	$ 803,436
Schedule of noncash investing activities						
Increase in interest on notes receivable for acquisitions under common control	$ 281,098	$ -	$ 71,465	$ -	$ (71,465)	$ 281,098

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Agency/ (Pass-through Agency)/ Program Title	Federal CFDA Number	Other award Number	Pass-Through Entity Identifying Number	Expenditures From Pass-through Awards	Expenditures From Direct Awards	Expenditures Total Expenditures	Expenditures Passed through to Subrecipients
U.S. Department of Housing and Urban Development							
Home Investment Partnerships Program	14.239						
Passed through City of Framingham		N/A	N/A	$ 151,581	$ -	$ 151,581	$ 151,581
Total Home Investment Partnerships Program				151,581	-	151,581	151,581
U.S. Department of the Treasury							
Community Development Financial Institutions Fund							
Capital Magnet Fund	21.011	N/A	N/A	-	4,300,000	4,300,000	-
Capital Magnet Fund	21.011	N/A	N/A	-	4,000,000	4,000,000	
Total Community Development Financial Institutions Fund				-	8,300,000	8,300,000	-
Total				$ 151,581	$ 8,300,000	$ 8,451,581	$ 151,581

See Notes to Schedule of Expenditures of Federal Awards.

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of Preservation of Affordable Housing, Inc. and Subsidiaries under various programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Preservation of Affordable Housing, Inc. and Subsidiaries, it is not intended to and does not present the consolidated financial position, statement of activities, functional expenses, changes in net assets, or cash flows of Preservation of Affordable Housing, Inc. and Subsidiaries.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Preservation of Affordable Housing, Inc. and Subsidiaries has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Consolidated Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 30, 2021. The financial statements of certain subsidiaries were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance for these certain subsidiaries.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preservation of Affordable Housing, Inc. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2021

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Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on Compliance for the Major Federal Program

We have audited Preservation of Affordable Housing, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program for the year ended December 31, 2020. Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Preservation of Affordable Housing Inc. and Subsidiaries' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preservation of Affordable Housing Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Preservation of Affordable Housing Inc. and Subsidiaries' compliance.

Opinion on the Major Federal Program

In our opinion, Preservation of Affordable Housing Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of Preservation of Affordable Housing, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Affordable Housing, Inc. and Subsidiaries' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2021

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2020

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:	Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?		Yes	x	No
• Significant deficiency(ies) identified?		Yes	x	None reported
Noncompliance material to financial statements noted?		Yes	x	No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?		Yes	x	No
• Significant deficiency(ies) identified?		Yes	x	None reported

Type of auditor's report issued on compliance for major federal programs:	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?		Yes	x	No

Identification of major federal programs:

CFDA Numbers(s)	Name of Federal Program or Cluster
21.011	Capital Magnet Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000

Auditee qualified as low-risk auditee	x	Yes		No

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2020

B. Findings - Financial Statement Audit
None reported

C. Findings and Questioned Costs - Major Federal Award Programs Audit
None reported

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Financial Statements (with Supplementary Information) and Independent Auditor's Report and Single Audit Report

December 31, 2019 and 2018

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Preservation of Affordable Housing, Inc. and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain Subsidiaries, which statements reflect total assets of $288,638,594 and $203,927,094 as of December 31, 2019 and 2018, respectively, and total revenues of $40,406,813 and $30,977,795, respectively, for the years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiaries, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CohnReznick

Opinion

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Preservation of Affordable Housing, Inc. and Subsidiaries as of December 31, 2019 and 2018, and the results of their activities, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2019 supplementary information on pages 40 to 64 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and compliance.

CohnReznick LLP

Boston, Massachusetts
June 30, 2020

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2019 and 2018

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2019 and 2018

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
Years ended December 31, 2019 and 2018

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!!!!!GÄ+#'** Ä-	!!!!!!!!!1<:91A:29;	!!!!!!!!!!!!!!!>	!!!!!!!!!1<:91A:29;	!!!!!!!19:; <?:?1A
!!!!!DÄ6Ä-'58 Ä* !ÄF5Ä*#Ä	!!!!!!!!!!1:2; ;:10 0	!!!!!!!!!!!!!!!>	!!!!!!!!!!1:2; ; :100	!!!!!!!!!1:;9 <:;; 0
!!!!!G+'ÈÄ##%'*"-!#Ä+6%.Ä#	!!!!!!!!!!1:;? <:A33	!!!!!!!!!!!!!!!>	!!!!!!!!!!1:;? <:A33	!!!!!!!!!1:031:;< 9
!!!!!B'* + %C(%#!"*) !I+"* #! 8") Ä	!!!!!!!!!!!!!!!<<:0AA	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!!!<<:0AA	!!!!!!!!!1:<0A:/< 1
!!!!!7Ä* "-	!!!!!!!!!!1:102:33?	!!!!!!!!!!!!!!!>	!!!!!!!!!!1:102:33?	!!!!!!!!!1:0?3:2<A
!!!!!, " FÄ#!"*)!%*#(+'*.Ä	!!!!!!!!!!!!!9<; :11A	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!9<; :11A	!!!!!!!!!!!909:0/1
!!!!!, +"6 Ä-!"*)!-') I%*I	!!!!!!!!!!!!!212:<12	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!212:<12	!!!!!!!!!!!32; :929
!!!!!L* Ä+Ä#	!!!!!!!!!!1:?0;:A? 3	!!!!!!!!!!!!!!!>	!!!!!!!!!!1:?0; :A?3	!!!!!!!!!1:9<; :0?<
!!!!!7Ä%8C(#"C-Ä!#"-"+%Ä#")!Ä F5Ä*#Ä#	!!!!!!!!!!!!!2?; :3AA	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!2?; :3AA	!!!!!!!!!!!</? :3/2
!!!!!G+'5Ä+H'5Ä +" %'*#	!!!!!!!!3A:13<:3//	!!!!!!!!!!!!!!!>	!!!!!!!!3A:13<:3/ /	!!!!!!!A3:20?:9<3
!!!!!G+'5Ä+H8' +I "IÄ !%* ÄÄ#	!!!!!!!!!; <:?/ A:21;	!!!!!!!!!!!!!!!>	!!!!!!!!!; <:?/A:2 1;	!!!!!!!;/:/ 92:A; A
!!!!!OEP'Ä!"*) !")8 %*%# %'"*	!!!!!!!!!!1:93/:1< 3	!!!!!!!!!!!!!!!>	!!!!!!!!!!1:93/ :1<3	!!!!!!!!!1:/A 9:A<3
!!!!!DÄ5+Ä%" %'*!'*)!" 8 '+ %'P%'*	!!!!!!!!!/A:AA9:2/?	!!!!!!!!!!!!!!!>	!!!!!!!!!/ A:AA9:2/ ?	!!!!!!!/;:A / /:9 ; ?
!!!!!B'88(*% I%85".	!!!!!!!!!!/:9< 3:/1 1	!!!!!!!!!!!!!!!>	!!!!!!!!!!/ :9<3:/1 1	!!!!!!!!!/ :?20:10;
!!!!!Q")!)Ä C !ÄF5Ä*#Ä	!!!!!!!!!!!!!;09 :</;	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!;09 :</;	!!!!!!!!!!!!1</ :/31
!!!!!R%#.Ä--"*Ä'(#	!!!!!!!!!!!!!102:A20	!!!!!!!!!!!!!!!>	!!!!!!!!!!!!!102:A20	!!!!!!!!!!!!1;< :091
!!,' "-!ÄF 5Ä*#Ä#	!!!!!!130:?A3:<1<	!!!!!!!!!!!!!!!>	!!!!!!130:?A3:<1<	!!!!!1<1:33<:<A/
!NF. Ä##!'ÈJÄF5Ä*#Ä#!'6 Ä+!Ä6Ä*(ÄK!Ä6Ä*(Ä!'6 Ä+! ÄF5Ä*#Ä	!!!!!!J/<:0?2:/9? K	!!!!!!!!!!!/:/ 2;	!!!!!!J/< :0;< :2?/ K	!!!!!J12113:3/? K
!NF. Ä##!'ÈÄF5Ä*#Ä#!'6 Ä+!Ä6Ä*(Ä!" +%C'(C-Ä! '! *'* .'* + '--%*I!%* ÄÄ##	!!!!!!J/0 :;0? :0;2 K	!!!!!!!!!!!!!!!>	!!!!!!J/0 :;0? :0;2 K	!!!!!J/0 ://A :00/ K
!NF. Ä##!'ÈJÄF5Ä*#Ä#!'6 Ä+!Ä6Ä*(ÄK!Ä6Ä*(Ä!'6 Ä+! ÄF5Ä*#Ä#!" +%C'(C-Ä! '! &Ä!B'8 5"* H	=!!!!!!J?A?9:/0< K	=!!!!!!!!!/:/ 2;	=!!!!!!J?:A;1 :21; K	=!!!!!!!1:103:1AA

4ÄÄ!Ã' Ä#! '!B'*#' -%)" Ä)S%'"*.%"-!4 " Ä 8 Ä* #T

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses
Year ended December 31, 2019 (with comparative totals for 2018)

	ĀÄ 6				ĀÄ !
	G:'. 4:)-'-:4 ,L $:&)M(A	K' $'* :> :$-4 '$%4*:$: &'.	"#$ %&'()($*	+,-'.	+,-'.
4444C: &),$$:.	3444444/0 1!02Ā1	344440 2!01 2	34444444Ä02ÄÄ	344442 05 10657	3444 5072/0/ 1
4444@ N:.,A> :$-4: I A:$):	444444406770 ÄÄ	44444444448	444444448	4444406770 ÄÄ	444440752077Ä
4444C&,F))(,$'. 4):&N(=:)	444444407/201!!	44444444448	444444448	4444407/201!!	444440Ä! 0725
4444 ,$-&(H#-($)4'$%4*&'$-)4>' %:	44444444420Ä11	44444444448	444444448	444444420Ä11	44444 02Ä10Ā2
4444G:$-'.	44444440ÄĀ20 Ä/	44444441 60ÄÄ1	444444450117	444440 Ä60!!/	444440Ä/!0621
4444'I :)4'$%4($)#&$=:	444444445Ā!0 /6	44444447Ā0621	44444440066	44444455270 1	4444445Ä50ÄĀ
4444&'N:.4'$%4.,%*$*	444444441/50 /2	44444442/0527	444444448	44444446 602 6	444444 670565
4444O$-&:)-	44444440/Ä701/!	44444444448	444444448	444440/Ä701/!	4444405270Ä/2
4444G: (> H#&)'H.:4)'.' &(:)4'$%4:IA:$):)	444444446/70!11	44444444448	444444448	44444446/70!11	4444442Ā/0!Ā6
4444C&,A:&D4,A:&'- (,$)	444444110 !20!ĀĀ	44444444448	444444448	4444110 !20!ĀĀ	44441!06Ä/052!
4444C&,A:&D4>,&-*'*:4($ -:&)-	4444447 20/Ā106 7	44444444448	444444448	44447 20/Ā106 7	44447Ā0Ā560171
4444EFF(=:4'$%4'%>($()-&(,$	4444444071Ä0Ā!/	44444441Ä/0/Ä6	444444420715	4444405!Ā0 2!	444440Ā15012!
4444@A&:=(' -(,$4'$%4'> ,&-(B' -(,$	444444Ā1011506Ā/	44444444448	444444448	4444Ā1011506Ā/	4444Ā701ĀĀ057/
4444 , > > #$(-D4(>A'=-	4444444Ā05ÄĀ0!5	44444444448	44444442/071Ä	44444Ā052!0Ā	44444Ā0/6Ä0 Ä7
4444' %4%:H-H4A:$):	444444447Ä502Ā7	44444444448	444444448	44444447Ä502Ā7	444444 2Ā0Ā!
4444K () =:. .' $:,#)	444444441Ä 0/Ä7	4444444410! /	44444444451Ā	4444444Ä6016Ä	444444 720Ä5
	344441!06260//6	3444405/60511	344444560/!Ä	344!Ä0/1!02 2	3442 0!!2021Ā

9::4 ;,-:) 4, 4<,$),.(%'- :%4'($'$=('.4 9-'- :> :$-) ?

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
Years ended December 31, 2019 and 2018

	ĀÄ !" ##Ä #!$ %&(4 !'()(* !*Ä# *% %) #			ĀÄ !" ##Ä# $ %&!' ()(* *Ä# *%+ %()	ĀÄ !" ##Ä#
	,() *(--%).	Ā() +( ) *(--%).	/ (" -	,() *(--%).	/ (" -
0 Ä %)) %. !1"-") +Ä23")4"* 5!627869	;! !!!72798277	;! !!!!!7882<=2:<=	;! !!!!!!!!!7:72<>=2<9?	;! !!=2<>82>=7	;! !!!7:9279<26:@
A+B4%% %1()C($) Ä*#&%D%)Ä*Ä#	!!!!!!!?2>: @2<7=	!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!?2>: @2<7=	!!!!!!!!!!!!!!E	!!!!!!!!!?2>: @2<7=
/*") #CÄ*!(C!-%F%'ÄD'*)Ä*#&%1D%)Ä*Ä# !(!) ( ) +( ) *(--%).	!!!!!672 <>2<>?	!!!!!!!!!G672<>2<>?H	!!!!!!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!!!!!!!E
,"D % -!+( ) *%14%)(#!C(*F!)( ) +( ) *(--%)!%)Ä*Ä# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!!: 92=: 72=6>	!!!!!!!!!!!!!! 92=: 72=6>	!!!!!!!!!!!!!!E	!!!!!!!: 92=: 72=6>
I%# *%4 %)(#! (!) ( ) +( ) *(--%)!%)Ä*Ä# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!G:9929 : H	!!!!!!!!!!!!!!!!!G9 929 : H	!!!!!!!!!!!!!!E	!!!!!!!!!!!G:9929 : H
J K+Ä##!(CÄKDÄ)#Ä#!(LÄ*!*ÄLÄ)4Ä!" *%4 "1-Ä! (!)()+( ) * (--%)!%) ÄÄ# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!G78?77?2887H	!!!!!!!!!!!!G78?77?2887H	!!!!!!!!!!!!!!E	!!!!!!G78?77?2887H
J K+Ä##!(C*ÄLÄ)4Ä!(L Ä*!ÄKDÄ)#Ä#!" *%4 "1-Ä! (&Ä!, (F D")5	!!!!!!626:92:77	!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!626: 92 77	!!!!!!!!G8 26>=H	!!!!!!!!!626?926???
J) '%) . !1"-") +Ä2I Ä+ÄF 1Ä*!: 627869	!!!!!=:27772@6<	!!!!!!!!78=2@6?2@?	!!!!!!!!!!!!7=@62>826:	!!!!!=2<682:8?	!!!!!7<>2?=82<78
A+B4%% %1()C($) Ä*#&%1D%)Ä*Ä#	!!!!!!!!!!!672 @3	!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!!!!!!!672 @3	!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!672 @3
/*") #CÄ*!(C!-%F Ä'!D*)Ä *#&%D!%)ÄÄ# !(!) ()+( ) * (--%).	!!!!!!!!!!=:627=9	!!!!!!!!!!!!!!G=: 627=9H	!!!!!!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!!!!!!!E
,"D % -!+( ) *%14%)(#!C(*F!)( ) +( ) *(--%)!%)Ä*Ä# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!!7?28: 62=>=	!!!!!!!!!!!!!!7?28 62=>=	!!!!!!!!!!!!!!E	!!!!!!!7?28: 62=>=
I%# *%4 %)(#! (!) ( ) +( ) *(--%)!%)Ä*Ä# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!G>=?26<8H	!!!!!!!!!!!!!!!!!G=?26<8H	!!!!!!!!!!!!!!E	!!!!!!!!!!!G>=?26<8H
A' M4# FÄ)!C(*!+&").Ä!%)!"++(4) %).!D*%+%D-Ä	!!!!!!!72:>62>99	!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!!72 >62>99	!!!!!!!!!!!!!!E	!!!!!!!!!72 >62>99
J K+Ä##!(CÄKDÄ)#Ä#!(LÄ*!*ÄLÄ)4Ä!" *%4 "1-Ä! (!)()+( ) * (--%)!%) ÄÄ# #	!!!!!!!!!!!!!!!!!E	!!!!!!!!!G782 8=28: @H	!!!!!!!!!!!!G782 8=28: @H	!!!!!!!!!!!!!!E	!!!!!!G782 8=28: @H
J K+Ä##!(C*ÄLÄ)4Ä!(L Ä*!ÄKDÄ)#Ä#!" *%4 "1-Ä! (&Ä!, (F D")5	!!!!!G=2?=>278<H	!!!!!!!!!!!!!!!!!!!!!!E	!!!!!!!!!!!!!!!G=2=?>278<H	!!!!!!!!!7727@	!!!!!!!!G=2?62@6: H
J) '%) . !1"-") +Ä2I Ä+ÄF 1Ä*!: 62786@	;! !!=82=:2 9><	;! !!!!!7662<==2>9=	;! !!!!!!!!!7<7288@26	;! !!=2<:72<88	;! !!!7<?2<>62@:6

NÄÄ!Ā(Ä#! (!,( ) #(-%"'Ä' !O%))'+%"-!N ÄFÄ) #P

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2019 and 2018

	ĀÄ !	ĀÄ "
#$ %&'(*+%'(,*- '*./,$0 12'3$4051'01/%		
674/%%'*'(/7 ./2%/%'*5/,' ,/5/28/	?"''''''9Ā:;Ä<:;!=Ā>	?'"""""9!; ";"Ā=>
@AB8%/0'20%0*',/4*241)'/7 4/%%'*'(/7 ./2%/%'*5/,' ,/5/28/		
0*'2/0'4$%&'.,*51A/A'CD'./,$0 12'3$4051'01/%		
E*%%'*2'125/%0/20'1'2'.$, 02/,%&1	""""""" 9 < ;ÄF=>	""""""" 9; ===;F ">
G25/%0/20'1'24*- /	"""""""""""" ;"=	"""""""""""""H
I/ .,/41$01*2'$2A'$- *,01$01*2	"""""'ĀF;FFK;!Ā=	""""""''Ā=;Ā<=;:F
6((/ 4015/'120/,/%'$AB8%0-/20	"""""""' ;:ĀK;KĀĀ	"""""""'' ;ÄĀÄ;::=
#&$23/'12'($1'- $,L/0'5$)8/'*('120/,/%0'$0' '%+$.%	""""""""'' F=;Ä K	""""""""'9< ; !>
E*%%'*2'%$)/'*(, *./,01/%	"""""""''ĀK";=ĀĀ	"""""""''9<KĀ;==K>
M*,315/2/%%'*(A/C0	""""""" 9=FK;< >	"""""""''9=FK;< >
I/ (/, ,/A' 12'4*- /	""""""" 9"FĀ;<=!>	""""""" 9; ĀÄF;!=Ä>
#&$23/%'12		
@44*820%'/4/15$C)/	"""""'9; <:F;= =>	""""""""""!Ā; ="
N,/.$1 A'/7 ./2%/%'$2A'*0&/, '$%%/0%	""""""" 9<"Ä;":=>	""""""""'K<F;ĀĀK
N,/A/5/) *.- /20'4*%0%'/1- C8,%$C)	"""""'9<;ÄĀF;<ÄĀ>	""""""" 9Ā;Ä=;=Ä<>
@44*820%'DC)/'$2A'$44, 8/A'/7 ./2%/%	""""""'<;FĀ";!Ā=	""""""''Ā;!" ; ÄĀ
N,/.$1 A'$2A'A/(/ ,,/A', /5/28/ %	"""""""";Ā!";=ĀK	""""""''Ā;Ä=<;!K!
O/2$20%'48,10D'A/.*%10%	"""""""'<Ä ;"K"	"""""""""Ā""; ::
I8 /'0*'$((1)10/%'2/0	"""""""'"=";=K=	""""""""'9!F;<Ä=>
P/ 04'$%&'.,*51A/A'CD'./,$0 12'3$4051'01/%	"""""' Ä;:KĀ; !!	""""""""': ;F!=;:K"
#$ %&'(*+%'(,*- '125/%0123'$4015'101/		
6%4,*+'A/.*%10%'$2A',/%0140/A'/%/, 5/%;'2/0	""""'9 Ā;" Ā;"F<>	""""""""";K :;!<!
N8,4&$%/'*('- $2$3/- /20'4*20,$40%	""""""""""""H	""""""""'9Ā <;Ä K>
#$ %&'.$1A'(*,'(1'/A'$%%/0%	"""'9 =Ä;ÄĀ ;!K<>	"""""'9 Ä";: =; ĀK >
P/ 04'$%&'8%/A'12'125/%0123'$4015'101/%	"""'9 :Ā;" K; " :>	"""""'9 ÄÄ;K ; < :>
#$ %&'(*+%'(,*- '(12$24123'$4051'01/%		
N,*4//A%'(, *- ')12'*('4,/A10	""""""': ;<=F;KĀ:	""""""""'F;<=Ā;F!"
N$D- /20%'*2')12/'*('4,/A10	"""""'9K;<:=; ÄĀ>	""""""" 9=;"==;ĀÄ">
N,*4//A%'(, *- '2*0/%'$2A'- * ,03$3/%'.DC)/	""""' !F;KĀ ;" =	"""""""'" <;<!:;ÄK:
N$D- /20'*2'2*0/%'$2A'- * ,03$3/%'.$D$C)/	""""'9Ā; "K; KF>	""""""'9 =;"!<;F"<>
I/ (/, ,/A' 12'4*- /	"""""'9 ;F F;<:=>	""""""""'9=K:; FÄ>
Q/ .$D- /20'* ('4*20123/20'A/(/,, /A'.8,4&$%/'*C)13$01*2	"""""""""""'H	"""""""'9<;=Ā";Ä<!>
I/ C01%%8$4/'4*%0%.$1A	"""""'9 ;==Ä; = >	""""""""'9FKK;!:<>
RD2A1$01*2'4*%0%'$2A'0$74,/A10'(//%' .$1A	""""""" 9KK;!Ä<>	"""""""""'9<K:;K!F>
I1%0(C801*2%'.$1A'0'- 12',10D'$, 02/,%	""""""" 9K=F; :Ä>	"""""""""'9<"";"<<>
S 12'* ,10D'$, 02/,%T'4$.10$)'4*20(C801*2%',/4/15/A	"""""'ĀF;Ä< ;=K=	"""""""'<";=<Ā;= K
P/ 04'$%&'.,*51A/A'CD'(12$24123'$4051'01/%	""""' :Ä;<! ;!="	""""""' Ä ;!FF;":=

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2019 and 2018

	ĀÄ !	ĀÄ "
P/ 0'12 4,/$%/'12'4$%&;4$%&'/U81 5$)'20%$2A',/%0,140/A4$%&	?"''''''''"';Ā ! ;<K	?'"''"''"''"'"';<:Ā; !F
#$ %&;4$%&'/U81 5$)'20%$2A',/%0,140/A4$%&,C/31 22 123'*('D/$,	"''"''"'K<;<Ä:;K:F	"''"''"''"''<K;!KK;ĀFÄ
#$ %&;4$%&'/U81 5$)'20%$2A',/%0,140/A4$%&,/2A'*(' D/$,	?"''''''= ;=Ā=;" Ä"	?'"''"''"'K<;<Ä:;K:F
R8. .)/ - /20$)'A1%'4)%8,/'*('4$%&()*+'$40150 1/% #$ %&'.$1A'(*,120/,/%0	?"''''''Ā";K ;F"<	?'"''"''"'ĀF;:Ā=;=F=
R4&/A8)/'*('2*24$%&'125/%01'$240 150 1/%		
M1/A'$%%/04*%0%128,,/A	?"''''' =F;FÄ<;!KF	?'"''"'' Ä=;=Ā=; Ä
M1/A'$%%0%$%0%*)A'12'4'22 /401*2'+ 1&'4*- - *2'4*20,*)'0,$2%$40'2	"''"''"'9Ā;Ä=;"=<>	"''"''"''"'9Ā;<"!;="">
@44*8 20%DC)/'H'A/5/)*. - /20;'C/3122 123'*('D/$,	"''"''"''"';!!=;=<F	"''"''"''" K;KF=;Ā=:
@44*8 20%DC)/'H'A/5/)*. - /20;'/2A' *(' D/$,	"''"''"'9 K;=! ;:"">	"''"''"''"'9";!!=;=<F>
#$ %&'.$1A'(*,(1/A'$%%/0%	?"''''' =Ä;ÄÄ ;!K<	?'"''"'' Ä";: =;ĀK
I/ (/, ,/A')$C)10D124)8A/A'12',/%1A8$,/4/1.0%'/%4,*+	?'"''"''"''"''"'=;<	?'"''"''"''"''"''"'<; F"
R4&/A8)/'*('2*24$%&'(12$241 23'$40150 1/%		
G24/$%/'9A/4, /$%/>'12')1($)01/%'A8/'0'120/,/%0,$0/'%+$.	?'"''"''"''"' F= ;Ä K	?'"''"''"''"'9< ; ! >
@%$%21 /20'* ('2*0/%'.$D$C)/'$2A', /)$0/A'$44,8/A'120/,/%0	?'"''"''"''"''"''"'H	?'"''"''"''"'Ā; <" ; Ä:

R// 'P*0/%'0' #* 2%*)1A$0/A'M12$241$)'R0$0/- /20%V

Note 1 - Organization

[illegible]

[illegible]

[illegible]

Note 2 - Summary of significant accounting policies

Consolidation

[illegible]

[illegible]

Net asset classification

[illegible]

[illegible]

[illegible]

<"&Ā>Ā&"Ā=%##%1"Ā(*Ā&<"2Ā=0!=(#" 2Ā(!Ā(&"! Ā$") &##Ā="4'*"", Ā>Ā&" Ā()(!5Ā8&"! Ā()(!Ā<=(#" , Ā !"#&!'4&'()#Ā%1"Ā="!="&0%Ā)Ā)%&0!"2Ā@" !" Ā&" Ā()(!Ā#&'=0%&"#Ā&:%Ā&"#(0!4"#Ā-" Ā< %)&%')", Ā)Ā ="!="&0'&5ĀK()(!ĀĒ<=(#", Ā"#&'4&'()#Ā%!"Ā".%#", Ā@")Ā%Ā"#&!'4&'()Ā A=!"#2Ā&:%Ā&#2Ā@")Ā&:"Ā #&'-0.%&"Ā&<" Ā%#Ā'.%#", 2Ā@")Ā&:"Ā#&'-0.%&"Ā=0!=(#"Ā*(!Ā@'4:Ā&:"Ā"#(0!4"Ā@%#Ā"#&!'4&",Ā :%#Ā-"")Ā*0.*'.", 2Ā(!Ā(&5Ā

Cash and Cash equivalents

C:"Ā4(<=%)>Ā4()#', "!#Ā%.Ā 1: .>Ā)$"#&<") &#Ā=0!4:%#", Ā@&:Ā%)Ā!'1 ')%Ā< %&!0&>Ā*Ā&!"" Ā<()&:#Ā! Ā ."##Ā%&&ĀĀ,%&"Ā(*Ā%4D0'#"&()Ā&(Ā"Ā4%#Ā D0'$%'.)&#5Ā%#:Ā%),Ā4%#Ā D0'$%'.)&#Ā"Ā#&%&Ā%&4Ā(#&2 @'4:Ā%=!(A'<%&#Ā<%B"&Ā$0'.5Ā

Depreciation

`' A", Ā%##&#Ā%1"Ā#&%&",Ā%&4Ā#&ĀK"=!"4'%&'(Ā#Ā4(<=0&",Ā0#')1Ā&" Ā#&!%1:&E)."Ā<"&(, Ā($"!Ā&:"Ā "#&<%&",Ā%##&Ā'$"#5ĀH%)&")%)4"Ā%),Ā!"=%!#Ā%!"Ā4:%!1", Ā&(Ā(="!%&'(#Ā@")Ā')40!!", 5Ā G"&&"'!")&#Ā),Ā!')"@%#Ā%!Ā4%=&%a",5Ā

Debt issuance costs

K"-&Ā##0%)4" Ā4(#&#2Ā)"&Ā(*Ā%440<0.%&",Ā%<(!&a%&()2Ā%!Ā"=(!&",Ā%#Ā'!"4&Ā,04&()Ā!(< Ā&:"Ā*%4Ā %<(0)&Ā(*Ā&:"Ā="!<%)") &Ā<(! &1%1"Ā(%)Ā=%>%-."Ā&Ā@'4:Ā#04:Ā4(#&#Ā%&'5Ā<(!&a%&'()Ā(*Ā&:"Ā"-&Ā '##0%)4"Ā4(#&#Ā"=(!&",Ā%#Ā%Ā(<=()")&Ā(*Ā)&!"#&Ā="))#"Ā()Ā&:"Ā4()#(.',%&"Ā#&%&"<")&Ā(*Ā %4&'&"#Ā%)Ā'#Ā4(=0&", Ā0#')1Ā%)Ā=0&", Ā)&"!"#&Ā%&Ā()Ā&:"Ā'.%&",Ā(%)5

Tax credit and in-place leases

C%Ā4!",'&Ā(<=.'%)4"Ā<()'&(!')1Ā""#Ā%Ā4(#&#Ā!'.%&",Ā&(Ā(-&%')')1Ā(@E')4(<"Ā:(0#')1Ā%&Ā4!",'&#Ā @'4:Ā%!"Ā ')1Ā%<(!&'a",Ā($"!Ā&"Ā<%),%&!>ĀĀŒ=>"%Ā4(<=.'%)4"Ā="!'(, 5Ā)E=%4"Ā"%#"#Ā%!Ā %<(!&'a",Ā($"!Ā)"Ā>"%!5Ā)%<(!&'a",Ā&%Ā!",' &Ā"#Ā%),Ā)E=%4"Ā"%##"#Ā4"Ā)40,", Ā)Ā&:"!Ā%##"&#Ā ()Ā&"Ā4()#(.',%&",Ā#&%&"<")&Ā(*Ā)%)4'%Ā=(#'&()5Ā<(!&'a%&()Ā"A=")#"Ā*(!Ā&"Ā>"%!#Ā)," , K"4"<-"!Ā LĀ2ĀMNĀOĀ%),Ā MNĀUĀ(&%.",Ā c\MY2ĀRĀ%),Ā cRU2OLQ2Ā"#="4&'$">2Ā%),Ā%440<0.%&" %<(!&'a%&'()Ā(&%.",ĀcL2YNU2QUĀ%),ĀcL2MĀ2RRĀ"#="4&'$">5Ā

X#&'<%&",Ā%<(!&'a%&'()ĀA=")#"Ā(!Ā"%4:Ā(*Ā&"Ā")#0')1Ā$"Ā>"%!#Ā!(01:ĀK"4"<-"! ĀĀ2ĀMNĀRĀ#Ā%#Ā *(..(@#]Ā

d"%!#	J :(..>Ā8 @)",	F	C(&%.
MNMN	cĀ ĀY2MQO	cĀXXXXĀNM2UQ	cĀ ĀNO2RR
MNMĀ	ĀY2MQO	ĀOR2RO	ĀĀNM2NU
MNMM	ĀY2MQO	ĀON2ML	ĀĀOU2UM
MNML	ĀY2MQO	ĀUN2OU	ĀĀUĀ2QY
MNMR	ĀY2MQO	ĀM\R2NR	ĀĀYĀ2L

Accounts receivable

+44(0)&#Ā4"' $%-."Ā%!"Ā=(!&,Ā)" &Ā*(Ā%Ā%.(@%)4"Ā*(!Ā,(0-&0.Ā44(0)&#5Ā%)%1"<") &#Ā#&<%&Ā (*Ā&"Ā%.(@%)4"Ā#Ā%#", Ā()Ā'#&!'4%.Ā4(.."4&'(Ā"A="!'")4"Ā%),Ā%"Ā$"@Ā(*Ā&"Ā40!!")&Ā#&0Ā(*Ā %44(0)&#Ā"4"' $%-."5Ā3&Ā#Ā"%#()%.>Ā=(##'-."Ā&%&Ā<%)%1"<")&Ā#&<%&Ā(*Ā&:"Ā%.(@%)4"Ā@..Ā 4:%)1"5Ā

Grants receivable

P!%)&#Ā"4"' $%-."Ā!"=!" #")&#Ā(#&#Ā)40!!",Ā()Ā4(#&Ā"<- 0!#%-."Ā1!%)&#Ā%&Ā@..Ā-"Ā-'..", Ā%*&"!Ā K"4"<-"! ĀĀ2ĀMNĀO5ĀP!%)&Ā4"' $%-."Ā%!"Ā#&%&",Ā%&Ā%<(0)&Ā<%)%1"<")&Ā"A="4&#Ā&Ā-"Ā4(.."4&",

Predevelopment costs reimbursable

[illegible]

Noncontrolling interests

[illegible]

Investment in partnerships

[illegible]

Tax status

[illegible]

Use of estimates

[illegible]

Functional expenses

[illegible]

R&0,0#)?&)#,0#6-À0,0)!À)4D#&((4! Q##"(! À0! 0#&.!#).&6X #+0,À' # ,.! 6)#, !À),9,6&-À#8 !)?- -4-' D#-9#
6?&.',À '#0(! 6,96#"(!À 0! 0#&0# ,)?!. #(.-' .&8 S#&À&! 8!À) #&À # ! À!.&4#$.#9+À.&,0,À'Q#N?!#9À&À6,&4#
0)&)!8 !À)#.!(- .)0#6!.)&,À#6&)!' - .,!0 #- 9#"(! À0! #)?&)#&.!# &)).,R+)&R4!#)-#-À !#-.# 8 -.! #(.-' .&80 #- .#
0+((- .),À' #9+À6),-À0Q#N?0! #!"(! À0! 0#?&;! #R!! À#&4#&)! #R&0! #-À#0),8&)!0 #9#)8 !#&À #!9-.)Q#

Accounting for the impairment of long-lived assets
N?!# 3 - 8(& ÀD# .!;, !B 0# ,)0# .!À)&4# (.-(! .)D# 9-.# ,8 (&,.8!À)# B?! À!;!. #! ;! À)0# -. # 6?&À' ! 0# ,À#
6,.6+80)&À6!0#À ,6&)!#)?&)#)?! #6&..D,À' #&4+! #9#&À#&00)#8 &D#À-)#R! #! 6-;!.&R 4 Q#P ?! À#!6-; ! .D#0#
.!;, !B ! S#9#?! #+À ,06-+À)! #6&0?#94-B#0),8&)! #)-#R! #!À !.&)! # RD#?! #(.-(! .)D#&.! #4!00#)?&À#)0#
6&..D,À #&8-+À)S#8 &À&! 8!À)#6-8(&.!0#)?!#6&..D,À'#&8-+ À)# 9#?! #(.-(! .)D#+,)0#9&.,# &4+! #À#.! .#
)-# !)! .8,À! #B?!)?! .#&À#8(& ,.8!À)#4 00#?&0#66+..! Q#N?! #&8 -+ À)# 9#)?!#,8(&,.8!À)#4 00#,0# Y+&4#
)-#)?!#!"6 ! 00# 9#)?!#&00!)/0#6&..D,À #,&4! # ;! .#)0#0),8&)! # 9&.,#&4! Q#@#,8 (&,.8!À)#4 00#?&0#R!!À#
.!6-' À,c! # +.,À' #?! #D&.0#!À ! #M!6!8R ! .#F$$#2E$C#&À#2E$AQ#

Revenue recognition
1 ! À)&4#À6-8! #,0#.! 6-' À,c! #&0#.!À)&4#R!6-8 ! # +! Q#1 ! À)&4#&D8 ! À)0#.!6!, ; ! #,À#& ;&À6! #&.!#
! 9!..! # +À),4#&.À! Q#"4#4!&0!0#R!)B! !À #)?! #8 ,)! # (&.)À!.0?,(0#&À #)?! #)!À&À)0# 9#)?!#(.-(! .),! 0#
&.!#-(! .&),À'#4!&0!0 Q#

1 ! À)&4#À6-8! #9- 8#4!&0!0#-À#6-88! .6,&4#0(&6!#,0#!6-' À,c! # À#&#0).&,' ?)GÀ! #R&0,0#;! .#)?! #(! .,- #
-9#)?!#6-8 8 !.6,&4#4!&0!Q#
#
1 ! ;! À+!# 9- 8 # ! ;!4-(8!À) #9!0S#(.-(! .)D#8 &À&' ! 8 !À)#&À #.!4&)! #9 ! 0S#&À #-)?! .#6-À).&6)+&4#
0!.;, 6!0 #,0#.!6-' À,c! #B?! À#6-À).-4#-9#)?!#(.-8, 0! #0!.;, 6!#,0#).&À09..! #)-#)?!# 3 -8(& ÀD#0#
6+0)- 8 !.0 S#À#&À#&8-+ À)#)?&)# ! (,6)0#)?!#6-À0, ! .&),-À#)?!#3 - 8(&ÀD#"(! 6)0#)-#R! #À),)4! #)-#,À#
!"6 ?&À' ! #9- .#)?-0! #0!.; ,6!Q#1 ! ;! À+! #,0#À-)#.!6 -' À,c! #+À4!00#6-44!6)&R,4)D# À ! .#)?!#6-À).&6)#,0#
6-À0, ! .! # (.-R&R4!S#)?! #6-À).&6)#?&0#6-8 8 !.6,&4#0+R0)&À6!#&À#)?!#6-À).&6)#?&0#R! ! À#&((.-;! Q#
* ,),-À&4D#)?! #6-À).&6)#8 +0)#6-À)&,À(&D8!À)#)! .80S#&0#B! 4#&0#)?! #,'?)0#&À #6-88,)8 !À)0# 9#R-)?#
(&.),!0Q#
#
3 -À).,R+),-À#.!;!À +! #,0#.!6-' À,c! #B?! À#&À#+À6-À ,),-À&4#(.-8, 0! #)-#' ,;! #&#9,À&À6,&4#&00)#,0#
.!6!, ; ! Q#3-À ,),-À&4#(.- 8, 0!0 #)-#' ,;! #&.!#.!6-' À,c! #&0#.!;!À+!#&À#&00!)0#&À #.!4!&0! #9- 8#
&À#&#.,'?)#-9#.!)+.À#&.!#À-)#.!6-' À,c! #+À),4#)?!#6-À ,),-À0#-À#B?,6?#)?!D#!(!À #&.!#0+R0)&À),&4D#8!) Q#
#
7! !#@-)!#C#9-.#&#9.)?!. # ,06+00,-À#-9#)?!#3- 8(& ÀD0#! ;! À+!0 Q#

Derivatives
=9# 6),;! #g&À+&.D#$S#2EE$S#)?!#3 - 8(&À D#&-( )! #7)&)!8 !À)#-9#5,À&À6,&4#* 66-+À),À'#7)&À &. 0#
T75* 7_W@ Q#FF#_*66-+À),À#9-.#M!..,; &),;! #&À0).+8 !À)0#&À #J ! ',À' #* 6),;,),!0 S_&0#&8!À ! Q#
=9# 6),;! #g&À+&.D#$S#2E$ES#?,0# +, &À6!#B&0#6- ,9,! #À)-#* 73 G@IGE#_M! .,; &),;! 0#&À #J ! ',À' Q#
N?!#3-8(&À D#+0!0#! .,;&),;! 0#)-#8&À&'! #,0X#!4&)! #)-#À)!.!0)#&)! #8 -;! 8 !À)0 QÀ!.! 0)#&)!#0B&(#
6-À).&6)0#!0, ' À&)! #&À#Y+&,9D,À' #&0#&0?#94-B#?! ' ! 0#&.!#! (- .)! #&)#9&#;&4+! Q#

Fair value measurement
N?!#5,À&À6,&4# 66-+À),À'#7)&À &. 0#Z-&. f0 #T5* 7Z_W#+ , &À6!#-À#&,.#&4+! #8 !&0+.! 8 !À)0#!Y+,.! 0#
9&,#&4+! #)-#R!#!)!. 8,À! #R&0! #À #?! # "6?&À' ! #(.,6!#)?&)#B- +4 #R!#.!6!, ;! #9- .#&À#&00!)# .#(&, #
)-#).&À09!.#&#4,&R,4,)D#&À#")#(.,6! W#À#)?! #(.,À6,(&4#.#8- 0)#&;&À)&'! -+0#&.X!)#9-.#&À#&00!)#.#4,&R,4)D#
,À#&À#-. ! .4D#&À0&6),-À#R!)B! !À #8 &.X!)#(&.),6,(&À)0 Q#5* 7Z0#+ , &À6! #! 0)&R4,0?! #&#)?.!!G4! ;! 4#
;&4+&),-À#?,! .&.6?D#R&0! #+(- À#-R0! .;&R4 #&À #À-ÀG-R0!.;& R4#,À(+)0 Q#N?! #?,! .&.6?D#; ,!0 #)?! #

[illegible]

[illegible]

[illegible]

[illegible]

- [illegible]
- [illegible]
- [illegible]

Change in accounting principles

[illegible] *Revenue from Contracts with Customers* [illegible]

[illegible] *Statement of Cash Flows (Topic 230) – Restricted Cash* [illegible]

Note 3 - Liquidity and availability

Note 4 - Notes receivable

N?!#3 - 8(& ÄD$%&0#)?! #0(-Ä 0-.#- 9#)?! #! Ä),),!0#)?&)#- BÄ#)?! #&9-. &R4!#?- +0,Ä' # ! ; !4-(8!Ä)0S?#- 4 0# ;&.,-+ 0#Ä-)!0 #.!6!, ; &R4!#9-8 #)?!#!Ä),),!0Q?#! .)&,Ä#Ä-)! 0#B! .!# 6-Ä).,R+)! #)-#)?!#3 - 8 (&ÄD#RD#)?! # M! (&.)8! Ä)# 9#J - +0,Ä' #&Ä# L .R&Ä#M!;! 4 (8! Ä)#TUJL MV#Ä#6-ÄÄ! 6),-Ä#B,)?#)?! #[& .XG)-G& .X!)# .!0) .+6)+.,Ä' Q#N?! #Ä-)!0 #R!&.#,Ä)!.!0)#&)#;&.,-+0#&)!0S#&.! #! Ä!.&4D#!0!6 +.! #R+)#0+R-. , Ä&)! #)-#)?! # 9,.0#8-.)' &' ! 0#-Ä#)?!#(.-(!.),!0 #&Ä#&!#(&D&R4 #9-8#&;&,4&R4 #6&0?#94-BQN?!#Ä-)!0S#&)#)?!#8!#- 9# .!6!, ( )#RD#)?!# 3 - 8(&Ä D$#B!.!# .!6- . ! #&)#&#, 06-+Ä)#.&)!#.! 9!6),Ä'#)?! #(.!0! Ä)#;&4+!#-9#9+)+.! # (.-b!6)! # 6&0?#94-B0Q#N?# , 06-+Ä)#&)!#B&0#$>^#9.#Ä-)!0 #!6! ,; ! #(.,-. #)-#2EE#&Ä #2E^ #9-#Ä-)! 0# .!6!, ;! #)?!.!& 9).Q#N?!#,Ä)!.!0) #Ä6-8! #)?&)#0#! 6!, ;! #RD#)?!#3 - 8(&Ä D#0#!6- . ! #R&0! #Ä #)?! # &8-.),c&,-Ä#06?! +40 #&)#)?!# , 06-+Ä)! # Ä-)! #; &4+! 0Q#%&D8! Ä)0#.! 6!, ;! #,Ä#!"6 ! 00#-9#)?!# &8-.),c&,-Ä#06?! +4 0#&!#.! 6-. ! #)-#,Ä6-8! #,Ä#)?!#D!&.# 9#)?!# "6! 00#(&D8! Ä)Q#

H)?! .#4-&Ä0#?&!# R! ! Ä# .,', Ä&)! # RD#)?! #3 -8(& ÄD#&Ä #B! .!#9+Ä ! #RD#! 0!.;! 0#. #!(.!0!Ä)#0!44!.# 9,Ä&Ä6,Ä' #(.-;, ! #)-#)?! #&9-. &R4!#?- +0,Ä' # ! ; !4-(8!Ä) Q#N?!0! #Ä-)!0 #?&; ! #R!!Ä #.! 6-. ! # 0,8+4)&Ä!-+ 04D#B,)?#&# !9..! #'& ,Ä#T7!!#@-)!#$>VQ#

[&Ä&'! 8!Ä)#?&0#!0)&R4,0?! # &Ä#&44-B &Ä6! #9-.#&8-+ Ä)0#! ! 8 ! #+Ä6-44 6),R4 #,Ä#)?! #&8-+ Ä)#-9# d: S<C$FA#&Ä#d:F$CFS$A<#&0#9#M!6! 8 R!.#F$S#2E$C#&Ä#2E$AQ#

* #0+8 8 &.D# 9#)?#Ä-)!0#.!6!, ; &R4!#&Ä#&6.+! #,Ä)!.!0)#0#&0#9#44-B 0`#

	Z&4&Ä6!#&)# M! 6! 8 R!. #F$S# 2E$C	Z&4&Ä6!#&)# M! 6! 8 R!. #F$S# 2E$A
[&.XG)-G & .X!)#4 &Ä0S#R&.,Ä' #,Ä)!.!0)#9-8 #$^ #)-# Q^ S#'!Ä!.&4D (&D&R4 #&ÄÄ+&4D#9-8 #)?#!0(!6),;!#(.-(!.)D0#Ä)#6&0?#94-B S# ,9#&ÄD#$-#R!#.! (&, #,Ä#9+4#Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+'?#2EF: S Ä!)#9#,06-+Ä)#9#d2$S>$SC$: S#!0(!6),;!4DQ	d#####$#>>ES<F>	d####$>>ES<F>
1!0&4#4&Ä0S#R!&.,Ä' #,Ä)!.!0)#9-8 #2G: ^ #)-#$2^ S#'Ä!.&4D (&D&R4 #&ÄÄ+&4D#9-8 #)?#!0(!6),;!#(.-(!.)D0#Ä)#6&0?#94-B S# ,9#&ÄD#$-#R!#.! (&, #,Ä#9+4#Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+'?#2E<$S Ä!)#9#&4 B&Ä6!#9#d2$E<>S$#A$S#!0(!6),;!4DQ	#####E SA< S EC	####$S C<SA<2
1!0!.;!#4&Ä0S#R!&.,Ä' #,Ä)!.!0)#9-8 #E^ #)-#!^ S#'Ä!.&4D#(&D&R4 &ÄÄ+&4D#9-8 #)?#.!0(!6),;!#(.-(!.)D0#Ä)#6&0?#94-B S#,9#&ÄD#$)-#R!#.!(&, #,Ä#9+4#Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+' ?#2EIAS Ä!)#9#&4 B&Ä6!#9#d$$E<SAAS#!0(!6),;!4DQ	#####22S2E2$A:	####22SCCSFE$
7)&)!#)&"#6.! ,)#4&Ä0S#R!&.,Ä' #,Ä)!.!0)#9-8 #E^ #)-#^ S#'!Ä!.&4D (&D&R4 #&ÄÄ+&4D#9-8 #)?#!0(!6),;!#(.-(!.)D0#Ä)#6&0?#94-B S# ,9#&ÄD#$-#R!#.! (&, #,Ä#9+4#Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+'?#2EI> Q#	####2I$FE<$<<	####2I$FE<$<<
O.&Ä)#9+Ä #4&Ä0S#R!&.,Ä' #,Ä)!.!0)#9-8 #$^ #)-#A^ S#'Ä!.&4D# (&D&R4 #&ÄÄ+&4D#9-8 #)?#!0(!6),;!#(.-(!.)D0#Ä)#6&0?#94-B S# ,9#&ÄD#$-#R!#.! (&, #,Ä#9+4#Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+'?#2E<$Q#	####2:$E2S2C>	####2$S:ISA<

#

#

	Z&4&Ä6#&)# M! 6! 8 R!. #F$S# 2E$C	Z&4&Ä6!#&)# M! 6! 8 R!. #F$S# 2E$A
M! 9!..! #!;!4(!.#9!#4&Ä0S#R&.,Ä' #,Ä)!.!0)#9-8 #2Q2^ #)-#IGEC^ S# '! Ä!.&4D#(&D&R4#&ÄÄ+&4D#9-8 #)?!#.!0(!6),;!#(.-(!.)D0#Ä!)# 6&0?#94B S#9#ÄDS#)-#R! #!(&, #,Ä#94#-Ä#;&.,-+0#8&)+.,)D# &)!0 #)?.-+' ?#2EII S#Ä)#-9#4B &Ä6! #9#d2>E$EEE#&Ä #IE$#! 0(!6),;! 4DQ	########I SEEE	########I SEEE
H)?!.#4 &Ä0S#R&.,Ä' #,Ä)!.!0)#9-8 #$^ #)-#A^ S# !Ä!.&4D#(&D&R4 # &ÄÄ+&4D#9-8 #)?!#!0(!6),;!#(.-(!.)D0#Ä!)#6&0?#94B S#9#ÄDS##R .!(&, #,Ä#94#-Ä#;&.,-+0#8&)+.,)D# &)!0#)?-+' ?#2EII >S#Ä)#-9 &4 B&Ä6! #9#d$:C$F: #&Ä#dE$#!0(!6),;!4DQ	#####2#CS:CSCEI	#####2#$SI: <S$F<
7!4!.#4 &Ä0S#R&.,Ä' #,Ä)!.!0)#9-8 #$^ #)-#A^ S#'Ä!.&4D#(&D&R4!# &ÄÄ+&4D#9-8 #)?!#!0(!6),;!#(.-(!.)D0#Ä!)#6&0?#94B S#9#ÄDS##R .!(&, #,Ä#9+4# Ä#;&.,-+0#8 &)+.,)D#&)!0#)?.-+' ?#2EII>Q	#####$#S$EE$3>A	#####$#SI<ES2A
* 66.+! #,Ä)!.!0)#	#####F$IE$$C:	#####2$#EFS$E
	####$##>S$C$$>E	####$##S2FSF<
=48 ,Ä&)!#,Ä#6-Ä0-4, &),-Ä	#####$IAS>A<$>EW	##T$: A$<<SCFAW
	d#####A$:E>$EEE	d#####S2<S:FA

N?!#3-8(& ÄD#Ä4D#!6-. 0#&66.+! #,Ä)!.!0)#!6!, ;&R4!#)-#)?!#!")!Ä)#)?&)#(&D8!Ä)#0#"(!6)!#9-8#)?!#(.-(!.),!0#9-8 #&;&,4&R4 #0+.(4+0#6&0?QÄ)!!0)#9#2CSA<I$$C#&Ä #d2: S<$FS><I#9. #2E$C#&Ä # 2E$AS#0(! 6),;! 4DS#?&0#Ä-)#R!!Ä#!6- . ! #,Ä#)?!0!#9,Ä&Ä6,&4#0)&)!8 !Ä)0#R!6&+0!#Ä-#&00+.&Ä6!#6&Ä# R!#8& !#)?&)#)B,4#R!#(&, Q#

O&,Ä0#9-8#)?!#!"6! 00#(&D8!Ä)0#-;! .#)?!#4-&Ä#(.,Ä6,(&4#&Ä#&66.),-Ä#-9#8&.X!)#, 06-+Ä)0#,0#dE$Ä # dI >ASC>$#.!0(! 6),;! 4D$#9-.#)?!#D!&.0#Ä ! #M! 6! 8R! .#F$S#2E$C#&Ä #2E$AQN?!#!996)0#-9#)?!0!#).&Ä0&6),-Ä0#?&;!#R!!Ä#4!8, Ä&)! #,Ä#6-Ä0-4 &),-Ä#&6?#D!&.Q#

ĀÄ#2E$: $#6?&Ä' !#B&0#8(4!8!Ä)! #!4&),Ä' #)-#(.-(! .),!0#(+.6?&0! #&Ä #6-Ä).-4 #RD#Ä),),!0#B?-4D# -B Ä! #RD#)?!#3-8(&Ä D#&Ä#0+R0!Y+!Ä)4D#-4#)-#48 ,)! #(&.)Ä!.0?,(0#TK%f0V#B?!.!#)?!#3-8(&Ä D# .!)&,Ä0#&#! Ä!.&4#(&.)Ä!.#-.#6-Ä).-4Ä'#,Ä)!.!0)Q#L Ä !.#6-88- Ä#6-Ä).-4#&66-+Ä),Ä' # +,&Ä6!S#)?!# &6Y+,.!#&00)0#Ä#)?!#&6Y+,.Ä' #,Ä),)Df#R--X0#&.!#.!6- . ! #&)#)?!#,Ä)#R-X#;&4+!#&0#!94 6)! #-Ä#)?!# 0!44,Ä' #,Ä),)Df#R--X0#&)#)?!# &)!#-9#)?!#&6Y+,0,),-Ä#&Ä#Ä-)#&)#)?!#9&,#;&4+!#&0#!)!.8 ,Ä! #RD#&Ä# &((.&,0&4QN?!#Ä!)#R--X#;&4+!#,0#)D(,6&4D#4!00#)?&Ä#)?!#9&,#;&4+!#(+.6?&0!#(.,6!#-9#)?!#&6Y+,.! # &00)0Q##

ĀÄ#,-.#D!&.0#)?!#9&,#;&4+!#&Ä#Ä0&4#B&0#!6-' Ä,c! #RD#)?!#3-8(&ÄD#.#%H*J #KK3#&0#&0!44!.# Ä-)!#.!6!, ;&R4 #&Ä#.!4&)!#! 9!..! #&ÄQN?!#6?&Ä' !#,Ä# +, &Ä6!S#99 6),!#9-.#)?!#D!&.#!Ä ! # M! 6! 8R!. #F$S#2E$: S#(.!64+ !0#.!6-. , Ä' #)?!0!#Ä-)!0#&Ä # !9..! #' &,Ä#-Ä#)?!#3-8(& ÄD0# 6-Ä0-4, &)! #0)&)!8!Ä)#-9#9,Ä&Ä6,&4#(-0,),-Ä#-.#%H* J #KK30#R&&Ä6#0?!!)Q##

*)#M!6! 8 R!.#F$S#2E$C#&Ä #2E$AS#Ä-)!0#.!6!, ;&R4 #)-)&4,Ä'#d$<S>AFS<>A#&Ä# d$>$EEIS2AE$# .!0(! 6),;! 4DS#&.!#&00!)0#-9#%H*J #KK3#&Ä #%NKJ3S#-B!;! .S#)?!D#&.!#Ä-)#!94!6)!#&0#&#6-8(- Ä!Ä)#-9#Ä-)!0#.!6!, ;&R4 #Ä#)?!#6-Ä0-4, &)!#0)&)!8!Ä)#9#9,Ä&Ä6,&4#(-0,),-Ä#R!6&+0!#)?!D#!(.!0!Ä)#Ä-)!0# .!6!, ;&R4!#.!4&)! #)-#&6Y+,0,),-Ä0#+Ä!.#6-8 8-Ä#6-Ä).-4Q%H*J #KK3#&Ä #%NKJ3#.!6-. 0#6&0?# (&D8!Ä)0#-Ä#0+6?#Ä-)!0#!6!, ;&R4!#&Ä#,Ä.!0)#,Ä6-8!#&0#&Ä6-8(-Ä!Ä)#9#!Y+,)D#Ä#)?!#M!6!8R!. #F$S#

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

Note 5 - Loans and notes payable

Calvert Social Investment Foundation

[illegible]

Local Initiative Support Corporation

[illegible]

[illegible]

Life Insurance Community Investment Initiative

[illegible]

Low Income Investment Fund

[illegible]

Boston Private Bank & Trust Company

[illegible]

The Model Group

[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2019 and 2018

MHIC CMF - Whittier

[illegible]

BlueHub Loan Fund - energy conservation

[illegible]

BlueHub Loan Fund - property acquisition

[illegible]

Life Insurance Community Investment Initiative - Briston Arms

[illegible]

Cambridge Affordable Housing Trust - Briston Arms

[illegible]

Life Insurance Community Investment Initiative - revolving line of credit

Ohio Housing Finance Agency

MHIC CMF - Bedford Village

Calvert Social Investment Foundation

Chicago Community Loan Fund

Housing Investments, Inc.

[illegible]

Debt issuance costs

[illegible]

Loan balances

[illegible]

[illegible]

[illegible]

	Ā@3	KK3	N-)&4
2E2E	d#S<FS<$	d##$$:E$>>	d###$E:$FA
2E2$	##$EFC>2$	###$2C2<FE	###2FF2FI$
2E22	##.2>2$AC	########@########2>2$AC	
2E2F	###2A<S:>	###$EFSI >	###$FES2E:
2E2:	###FEES$A	###SEESEE	###SFEC$A
N?!. !&9)!.	##FF<S><	###SC2FSAIA	###AS2ESIF:

Note 6 - Line of credit - Boston Private Bank

ĀÀg&À+&.D#2E$FS#%H*J #KK3 #!À)!.! #&À#&' .!! 8 ! À)#9-. #&#!;-4 ;, À' #! 8& À #4À! # 9#6.! ,)#À-)! #B,)?# Z- 0)-À#%,;&)! #Z &ÀX#j #N.+0)#3 - 8(& ÀD@N?! #4À! # 9#6.! ,)#,0#À-)#)- # "6!! #d$SIEESEE#&À #3 &)+.! # -À#g&À+&.D#$<S2E$>@#N?!#4À! #B &0#À6.!&0! #)- #dFSIEESEE#À#5! R+&.D#2E$<#&À #?! #3 &)+.,)D#&)! # B&0#")!À ! #)- #g&À+&.D#$<S2E$C@#Ā#2E$>#)?! #8&)+.,)D#&)!#B&0#9+.)?! .#")!À ! #)- #[& D#AS2E$CQ# ĀÀ*#(.,4#2E$CS#)?!#4À! #B &0#À6.!&0! #)- #d<SEESEE#&À #)?! #3 &)+.,)D#&)! #B &0#")!À ! #)- #[&.6? #2C$# 2E22S#&À#=&0)!. À#Z &ÀX#B &0#& ! #&0#&#(&.),6(&À)#À#)?!#4À! @N?! #À-)! #&66.+!0 #À)! .!0) #!Y +&4#)- #)?!#%,8 !#1 &)!#B,)?#&#94-.# 9#FQ2I^ #T. Q I^ #&À #QE ^#&)#M!6! 8 R!. #F$S2E$C#&À#2E$AS#0(! 6),;! 4D# &À# ,0#(&D&R4!#8 -À)?4D@N?! #4À! #,0#6-4&)!.&4,c! # RD#)?! #8 - .)' &'! #À-)! #.! 6!, ;&R4!#9- 8 #5.&ÀX4ÀQ# M+.,À' #)?! #D!& .0#! À ! #M!6! 8 R!. #F$S2E$C#&À #2E$AS#À)!.!0)#!"(!À 0! # 9#$2CS>A#&À #d>CSEE$S# .!0(! 6),;! 4D$B&0#!6- . ! #-À#)?! #6-À0-4 &)! #,À6#8! #0)&)!8 !À)@#)#M!6 !8R! .#F$S2E$C#&À#2E$AS# dFSA$S<$#&À #d$SAESF>S#!0(! 6),;! 4D$#,0#+)0)&À ,À' #À#)?!#4À! #&À #&66.+! #À)!.!0)#,0#$$S<$# &À#d$ES2<AS#.!0(! 6),;! 4D@#

* ÀÀ+&4#3 &)+.,),!0# 9# ! R)$À64 ,À' #,-4+À)&.D#!(&D8! À)0S#. #)?!#!À 0+,À' #B-#D!&.0#&0#9#M!6! 8R! .# F$S2E$C#&.!#&0#9-44B 0`#

2E2E	d#2$CF2S>I
2E2$	###NC#AS<A<

Note 7 - Mortgages payable - properties

N?!#3 - 8(& ÀD# 6!, ; !0 #9À&À6,À' #9-.#)?!#&9-. &R4 #?- +0,À' #(.-(! .),!0 #9- 8#;&.,- +0#9 ! .&40#)&)!#&À # 4-6&#&' !À 6,!0#&À #9À&À6&4#À0),)+),-À0Q#N?! 0! #4-&À0#&.! #À-À.!6- +.0! #)- #)?!#3 - 8(&À D#&À #&.!# 0!6 +.! #RD#- .)' &' ! 0# À#)?! #(.-(!.),!0@#7 - 8! # 9#)?! #8- .)'& '! 0#&0- #! Y+,.!#8 - À)?4D#! 8,))&À6! 0# 9-.#06.-B 0#&À#!0! .;! 0@#

N?!# !À),),!0#À#B ?,6?#)?!# 3 - 8(& ÀD#-B À0#&# ! À!. &4#(&.)À!. #-. #8 &À&' ,À' #8! 8R!. #,À)!.! 0)#?&; ! # -+)0)&À ,À' #8- .)'& '! #4 &À0#&À #À-)!0 #(&D&R4!@D!À! .&4#$#?! #4 &À0#&.! #0!6 +.! #RD#!6 +.,)D#À)! .!0)0# &À# 4À 0#6-8 8 -À #)- #8-.)'&' ! #4-&À0# À#)?! #! À),),!0#.!&4#(.-(! .)D#&À #-)?!. #&00!)0#&À #&.! # À-À.!6- +.0! #)- #)?!#3 - 8 (&ÀDQ#+6?#4-&À0#R!&.#À)!.!0)#&)#.&À' ,À' #9- 8# &((.-", 8 &)!4D#E^ #)- # FQ2I^ #(! .#&À+8 @N?! #3 &b-.,)D# 9#)?! #9,.0#8- .)'&' ! #4-&À0#!Y +,.! #3 -À)?4D#(&D8!À)0 # 9#(.,À6,(&4# &À#,À)! .!0) $B ?,4 #0-8! # 9#)?! #0+R- . , À&)!#4-&À0#&.! #À 4D#(&D&R4 #9-8 #&;&,4&R4!#6&0?#94-B#&À]-.# ! 9!..! #)- #3 &)+.,)D@N?! #8-.)'&' ! 0#3 &)+.! #ÀD! &.0#9-8 #2EF$#)- #2E<I@5-.#)?- 0! #8- .)' &' ! 0#(&D&R4 #)-#%H*J #. #&À#9&4&)!S#)?! #99!6)#-9#)?!#4-&À#?&6R! !À #4,8 ,À&)! #,À#)?! #6-À0-4 &),-À#9 #!&6?#D!&.Q##

* #0+8 8 &.D# 9#)?#3- .)' &' ! 0#&À#À-)!0 #(&D&R4 #&)#D!&G!À #,0#&9- 44B0 `#

	! "! #$%&'& (%$%) *%+&,-.& Ā/-0	! "! #$%&'& (%$%) *%+&,-.& Ā/-1
2%+) !# %#"&3#4%#'5#! "&3!# 6.& %!+5#7&$3) 839#: %:&5#'%+%6'&+3) & Ā<1-,= &3&<ĀĀ= .&7%#%!+'"?&@5A&&+5#$&3! "&# :&5#'%+%6'& 9%&) 3#"A"?.&3&*%&&! 5 &5#&9'"&3#&! +5396&) ! '9+5?&! '%6&A+397A&Ā/B 0<&	D&&ĀC.0-Ā10C	D&&&/ .Ā>>.BĀĀ
E% %#! ".&6! '%&!#: &3'$! "& 7%#$?&3! #6.&*% +5#7&5#%+%6'&;3) & = &'3& -Ā<CĀĀ= .&7%#%!+'"?&@5A&&+5#$&3! "&# :&5#'%+%6'& 9%&) 3#"A"?&3+ &8 ?! *"%&+3) &A%&+%6 8%$'5'4%&838%#"?F6&#%&$ 6A&;3@&5&!#?.& '3& %&+%&! 5 &5#&9"'&3#&! +5396&) !' 9+5?&! '%6&A+397A&Ā/B<	&&&&&&&.11C.0, ,	&&&&&&.B/ , .0Ā,
G'A%&3!#6 .& %!+5#7&5#'%+%6'&+3) &B<Ā= &3&I= .&7%#%!+'"?&!? ! *"%& ! ##9! "?&;3) &A%&+%6 8%$'5'4%&838%#"?F6&#%&$ 6A&;3@&;&!#?.&3& % +%&! 5 &5#&9"'&3#&! +5396&) !' 9+5?&!'%6 &A-397A&Ā/,-<	&&&&&&&.,,C .0/ /	&&&&&&., >1.1B,
H$$+9%&5#'%+%6'&	&&&&&&&&&C1.Ā>-	&&&&&&ĀĀB.Ā>0
I A3"'?&@#%:&#'5%6	&&&&&&B.0/Ā., //	&&&&Ā&Ā1B.>0>
J#'5%6&$3#'+3"%&*?&GHK&3+&!;5'%6	&&&&&0..,BB.B,Ā	&&&&&Ā/ B.->0
L#!) 3+5M%&: %'&5669! #$%&$36'6	&&&&&Ā0B-.BĀ1O	&&N&Ā&C- 1.0ĀCO
	&&. / ,-.,/1 .Ā>>	&&&&&- >/ ./Ā /
P3+7! 7%6&#:&#3'%&%5" 5#!"%: &5#&$3#63'5 !' 5#	&&&&Ā/Ā./,, .Ā-, O	&N&10.B1Ā./ Ā>O
	D&&1Ā0.Ā>B>CB	D&&0Ā.C1>.00,

(9+5#&'A%&%!+6&%#%: &(%$%)*% +&,-.&Ā/-0& #: &Ā/-1 .&!) 3+5M'53#&%Q8%#6%&5#$9++%:&#&: %'& 56 69! #$%&$36'6 &@6 &D-.C/-.>ĀĀ&#: &D-.//Ā .B,>.&%68%$'4%?.&# : &@6 &5#$'9: %:&5#&+38%#'?&3+ '7!7 %& 5#%+%&5#&A%&3#63'5:!'%: &6'!' %)%#'6&;&$'54'5%#6&&69))! +?&;&A%)&+ '7! 7%6&! ?!* "%&# :&+%"!%& :%;%+5#7&;5#&$5#7&$36'6&5&!6&3"'3@6R&

	I A3"'?&G@#%:	S2	T3'! "& ! "! #$%& ! '&(%$%) *%+& ,- .&Ā/- 0	I A3"'?&G@#%:	S2	T3'! "& ! "! #$%& ! '&(%$%) *%+& ,- .&Ā/- 1
P3+7!7%6&! ?!*" %&66& 9#!) 3+5M%:& %*'&669! #$%&36'6	D&&, B.CCB.C/1	D&&0/ .>0Ā.ĀĀB	D&ĀĀ.BĀ0.1CĀ	D&&.1/ Ā.BĀ>	D&&0B .C/1.-1-	D&CC.B/.C/1
(%*'&669! #$%&36'6	D&&&&/1.-0 0	D&&&C/ 01.1CB	D&&-.Ā/ >./C,	D&&&Ā1 1.>00	D&&&C.BĀ1.,>>	D&0.>B>.->C
S%6R& $$9) 9"! '%&!) 3+5M '5#	&&&&ĀCB1.,0ĀO	&&&&ĀC>.Ā- ,O	&&&&ĀC.C/ĀO	&&&&-- >.C1ĀO	&&&&Ā/ -/.Ā,Ā O	&&&&-Ā1.ĀĀ/O
L#!) 3+5M% & %*'&669!# $%&36'6	D&&&&Ā0.1/>	D&&&/ .B1-.CĀ-	D&-Ā.0B-.BĀ1	D&&&> -.--B	D&&&- .BB>.1BĀ	D&Ā.C-1.0ĀC

H##9! "&)!'9 +5'5&&3& %*'&3+&'A&%#6%#7&54%&%!+6&!+%&69))! +5M%&!6&3"'3@6R&

U%!+6	I A3"'"&G@#%:	S2&	T3'!"
Ā/Ā/	D&&&&&Ā&0&&0&Ā&	D&ĀB.ĀĀĀB10	D&&&Ā&C&1&ĀBĀ-
Ā/Ā-	&&&&&Ā&1&&&>&&B/	&&&&B&& >>C	&&&&&C&&&1&&B-C
Ā/ĀĀ	&&&&&&B&&C&Ā&1&Ā&&&	&&&&C1&& 1-,	&&&&&&&&/&&C01
Ā/Ā,	&&&&&&Ā&C&1&Ā&&0&&&	&&&&/&C&& //>	&&&&&0&>Ā&&&C&
Ā/ĀB	&&&&&&-Ā&/&&&BĀ&	&&&&&&Ā 1C,	&&&&ĀĀ&&C&0&-B

T3& 5#5)5M%'&A%&%;%$&3;&A!#7%6&5#'%+%6&3#&& 3+7!7 %&#3'%&!&5) 5% &! +#%+6A&3.&V"%) &K%'5'A'6& 2+%6%+4'53#&H663$5%6&5) 5'%&!+'#%+6A&5&WVK HS2W&%#%+%&#'3&5#'%+%6'&! '%&@8 & 7+%)%#'6&

Note 8 - Fair value of rental property

Note 9 - Revenue

Development fee

ASC Topic 606, Revenue

*from Contracts with Customers*S#Ä #6-Ä 0).&,Ä,Ä' #! 0),8&)!0#- 9#, &.,&R4 #6-Ä 0, !.&),- Ä S#B?,6?#)D(,6&4D# ,Ä64- !0#)?!#9-44B ,Ä#9&6)-.0 `##
#

- # N?! #0+06!( ),R4,)D# 9#)?! #6-Ä 0, ! .&),-Ä#&8-+Ä)#)-# 9&6)-. 0#-+)0, !#)?!# %-b!6)f0#,Ä94+Ä6!S# ,Ä64- ,Ä# ,Ä0+99,6Ä)#!Y +,)D#&Ä # ! R)#(.-6!! 0#&)#)?!#6-8(4 !),-Ä#- 9#)?!#6-Ä0).+6),-Ä#- 9#)?! # %-b!6)Q##
- # P ?!)?! .#)?!#+Ä6! .)&Ä)D#&R+)#)?! #6-Ä 0, ! .&),-Ä#&8-+Ä)#,0#Ä-)#"(!6)! #) -#R!#! 0-4;! #9-.#&# 4-Ä' #(!.,- #-9#),8!Q#
- # N?! #3-8(& ÄD0#!"(! .,!Ä6!#B,)?#0,8,4&.#)D(0#-9#&'.!! 8!Ä)0Q#
- # P ?!)?! .#)?!#3- 8(&Ä D#!"(! 6)0#)-#-9. #6?&Ä 0#)-#(&D8!Ä)#)!.80 Q#
- # N?! #.&Ä'! #9#(-00,R4!#6-Ä0, ! .&),-Ä#8-+Ä)0Q#

#

N?!#6+8+4&,;! #8-+ Ä)#9# ! ; !4-(8 ! Ä)#9!0 #&.Ä! #-;! .#)?! # ! ; !4-(8! Ä)#&'.!! 8!Ä)#0#+(&)! #&)# !& 6?#!(- .),Ä'#(! .,- #R&0! #Ä#)?!#3 -8(& ÄDf#0),8&)!#-9#)?! #&.,&R4!#6- Ä0,! .&),-Ä#+0,Ä'#&;&,4&R4!# ,Ä9-.8&),-Ä#&)#)?! #!(- .),Ä' # &)! Q#M! 9!..! # ! ; !4- (8!Ä)#9!0 #(&D&R4!#9- 8 #(.-(!.)D#0+.(4+0#6&0?#&.!# .!6-' Ä,c! #&)#0+6?#),8!# &0#)?!!#,0#&;&,4&R4 #0+.(4+0#6&0?Q#

Management service revenue

%H*J 3 #(.-;, ! 0#(.-(! .)D#8&Ä&'! 8!Ä)#0! .;,6! 0#Ä #&#6-Ä).&6)+&4#R&0,0#9-.#B Ä!.0# 9#&Ä #Ä;!0)-. 0# ,Ä# &9-. &R 4!# ?- +0,Ä' # (.-(! .),!0 Q# N?!0! # 0! .;,6! 0# ,Ä64- ! # 8&Ä&'! 8 ! Ä)S#8&.X!),Ä'S# R+,4,Ä' # !Ä', Ä!!.,Ä'S#&66-+Ä),Ä'S#-8(4&Ä6!S#&Ä #9,Ä&Ä6,&4#!.;, 6!0 Q#%H*J 3 #0#6- 8 (!Ä 0&)! #9- .#)0#0! .;,6! 0#)?.-+' ?#&#8-Ä)?4D#8&Ä&'! 8!Ä) #9! #! &.Ä! #R&0! # Ä#!,)?! .#&#0(! 6,9,! #(!.6!Ä)&'! #9#)?!#8 -Ä)?4D# .!Ä)&4#Ä6- 8 !S#!Ä)&4#6 ! ,( )0#! Ä! .&)! # 9- 8 #)?! #(.-(! .)D#Ä ! .#8&Ä&'! 8 ! Ä)# .#&#9,"! #9!!Q#%H*J 3 # ,0#&0-#-9)!Ä#!,8R +.0! #9-.#)0#& 8,Ä,0).&),;! #&Ä #(&D.-44#6-0)0# ,.!6)4D#&)).,R+)&R4!#)-#)?! #(.-(! .),!0# +Ä! .#8&Ä&'! 8!Ä)Q#%- (! .)D#8 &Ä&'! 8!Ä)#0! .;,6! 0#.!(.!0!Ä)#&#0!.,!0#-9#, 0),Ä6)# &,4D#0! .;,6! 0# .!Ä !.! .#),8! Q#3Ä 0,0)!Ä)#B,)?#)?!#).&Ä09. # 9#6Ä).-4#9-.# ,0),Ä6)S#&,4D#0!.;, 6!0 #)-#)?!#6+0)-8! .S# .!;!Ä +! #,0#!6-' Ä,c! #&)#)?!#!Ä #-9#!&6?#(!.,- #9-.#)?!#9 ! 0#&0-6,&)! #B,)?#)?!#0!.;, 6!0 #(! .9- .8! Q#
#

State tax credit proceeds

%H*J #Ā@3#0!44#7)&)!#K-B #ÄÄ6-8! #J - +0,Ä' #N&"#3 .! ,)0#&Ä #7)&)!#J ,0)-.,6#N&"#3 .! ,)0# ! Ä! .&)! # 9- 8 #48 ,)! #(&.)Ä!.0?,(#(.-(! .),!0 #)- #+Ä!4&)! #(&.),!0 Q#%H*J #Ā@3#?&0#(.-;, ! #4 &Ä0#)-#9+Ä# .!?& R4,)&),-Ä#- #6-Ä0).+6),-Ä#&)#)?! #!0(! 6),;! #(.-(! .),!0 S#B?,6?#&.! #)?!Ä#&00,' Ä! #)-#%H*J #KK3 Q# ĀÄ6-8! #0#!6-' Ä,c! #+(-Ä#0&,0&6),-Ä# 9#)?! #(., 8 &.D#(!.9 -.8&Ä6!# R4' &),-Ä#B?,6?# 66+.0#&)#&#(- ,Ä)# ,Ä#),8! #+(-Ä# ! 4;!.D# 9#)?! #!0(! 6),;! #0)&)!#6.! ,)#6! .),9,6&),-Ä Q#%,-. #)-#)?!#& -( ),-Ä# 9# 7 3 #<E<# Ä# g&Ä+&.D#$S#2E$CS#,Ä6-8! #B&0#!6-' Ä,c! #-;!.#)?!#! 0(!6),;! #0)&)!#6.! ,)#(!.,- Q#

N?!#& -( ),-Ä#-9# 7 3 #<E<#&96)! #)?! #9-44B ,Ä'#4,Ä!#),!8 0#,Ä#)?!#9,Ä&Ä6,&4#0)&)!8!Ä)0`#

	* 0#! !(-.)! # G# * 7 3 #<E< M!6 ! 8 R!. #F$S# 2E$C	Ā8 (&6)#-9# * -() ,Ä' # 7 3 # <E<	* 0#! !(-.)! #G# %,-. #)-# * 7 3 # <E< M!6 !8 R!. #F$S# 2E$C
M! 9!..! #Ä6- 8 !	d##########G#####d####$S#!F$EEW	d####$S#!F$EEW	d####$S#!F$SIEE
7)&)! #)&"#6.! ,) #(.-6!!0 #Ä6-8 !	#########F<$EE	#######FAIEW	######$S#!$#E

#

7)&)!#)&"#6.! ,)#(.-6!! 0#Ä6-8! #9- .#)?!#D!&.0#Ä ! #M! 6! 8R! .#F$S#2E$C#&Ä#2E$A#0#d>F<SEE#&Ä # d$SE$2CIES#.!0(6),;! 4DQ#)#M!6! 8 R!. #F$S#2E$C#&Ä#2E$A# ! 9. .! #,Ä6- 8 !#,0#dE#&Ä#d2CEASEIEQ#

Note 10 - Related party transactions

Notes and other receivables from affiliates

5- .#)?!#D!&.0#!Ä ! #M! 6! 8R! .#F$S#2E$C#&Ä #2E$AS#%H* J #Ä6Q/0#Ä #%H* J #KK3 /0#Ä-)!0 #!6!, ; &R4!# &Ä#&66-+Ä)0#!6!, ;&R4 #&.!#&8 -+Ä)0#!6!, ;&R4 #9-8 #4!8 ,)! #(&.)Ä!.0?,(0#Ä#B ?,6?#)?! #3 - 8 (&ÄD#,0# &#'! Ä!.&4#(&)Ä!.Q#N?! 9!6)#-9#)?! 0!#).&Ä0&6),-Ä0#?&0#R!Ä #!4!8 ,Ä&)! #,Ä#6Ä0-4, &),-Ä#!&6?#D!&Q##

Administrative salaries and costs

N?!#3 - 8 (&ÄD#(.-;, ! 0#,&.,- +0#0!.;, 6!0 #!4&)! #)-#)?! #& 8 ,Ä0).&),-Ä# 9#%H*J #KK3 Q#5- .#)?!#D!&.0# !Ä ! # M! 6! 8R!. #F$S#2E$C#&Ä# 2E$AS#%H*J #KK3 #.!,8R +.0! #)?! #3 - 8(& ÄD#9.# 6- 8 (!Ä 0&),-Ä$# -;! .?!& #&Ä #! Ä)# 9#dASFA2SCE#&Ä#d>S<C$F> S#!0(! 6),;! 4DQ##

Property management and related fees

%-(! .)D#8&Ä&'! 8!Ä) #&Ä #!4&)! #9!!0 #B! .! #&.Ä! #RD#%H*J 3 #Ä#2E$C#Ä#)?! #&8 -+Ä)# 9#dCS$>$F2AS# -9#B ?,6?#dAS F>2S$2F#?&0#R! ! Ä#!4,8, Ä&)! #,Ä#6-Ä0-4, &),-Ä#&Ä#,Ä#2E$A#Ä#)?! #&8-+ Ä)# 9#d>S<<SC2CS$ -9#B ?,6?#d>S2EAS2<F#?&0#R! ! Ä#!4,8,Ä&)! #,Ä#6-Ä0-4, &),-ÄQ#)#M! 6! 8 R! .#F$S#2E$C#&Ä# 2E$AS# d2SACSAC#&Ä #d$$F:ASFACS#0(! 6),;! 4DS#0# +! #9- 8#.!4&)! # (&.),! 0#9-.#0! .;, 6!0 #&Ä #& ;&Ä6!0 #Ä!)# -9#&Ä#&4-B&Ä6!#9-.#- +R)9+4#&66-+Ä)0#B ?,6?#0#0),8&)! #)-#R!#dAI2 SCA#&Ä #d<EES>AS#!0(! 6),;! 4DQ#

Reimbursable salaries and expenses

%H*J 3 #KK3 #Ä6+.0#6-0)0#!4&)! #)-#(&D-44S#6? Ä,6&4#0+((- .)#&Ä #)?!. #! ,8 R+.0&R4!#"(!Ä 0!0 # Ä# R!?&49#9#)?!#(.-(! .),!0#)?&)#8 &Ä&! 0Q#Ä#2E$C#)?!#6-0)0#Ä6+..! # &Ä#)?! #!4&)! # .!,8R +.0! 8! Ä)# 9- 8 # .!4&)! # (.-(! .),!0#)-)&4!# d2$S>: ASIC S#- 9#B ?,6?# d2$SFF>S>A># ?&0# R! Ä# ! 4,8 ,Ä&)! # ,Ä# 6-Ä0-4, &),-Ä#&Ä#,Ä#2E$A#d$CSCSFIF S#9#B ?,6?#d$CS>:2SI:$#?&0#R! Ä#!4,8, Ä&)! # ,Ä#6-Ä0-4, &),-ÄQ N?!#!99!6)#-9#)?!0! #).&Ä0&6),- Ä0#?&0#R!Ä#!4,8, Ä&)! # ,Ä#6-Ä0-4, &),-Ä#!&6?#D!&.Q#

Development fee and other revenue from properties

5- .#)?!# D!&.0#!Ä ! # M! 6! 8R!.# F$S#2E$C#&Ä #2E$AS#)?!# 3 - 8(&Ä D#&Ä #%H*J #KK3 #!&.Ä! # ! ;!4-(8 !Ä)#9 #!;! Ä+! #&Ä#9!0# 9- 8 #(.-(! .),! 0#&0#4B 0`#

	2E$C	2E$A
M! ; ! 4-(8 ! Ä)#9!# (&, #9-8 #!; !4-(8 !Ä)#0-+. 6! 0	d###FS>2C$<2	d###SC2CS<C>
M! ; ! 4-(8 ! Ä)#9!# (&, #9-8 #6&0?#4B #	###S<FSE$E	###SC#SAFA
M! ; ! 4-(8 ! Ä)#9!# (&, #9-8 #O%#6&(,)&4#-Ä).,R+)-Ä0	###SA2SC2>	
H)?!. #9!# .!; !Ä+!	####C#SE2>	####E#SIF
	###S2<C$2<	###SCA>SAA
3 &0?#4B #90 #9-8 #6!.)&Ä#!4&)! # (. -(!.),!0	###SCEIS:>	###SFEFS<>
	###S>:S<>F	###S2CE$II
M!; !4-(8 !Ä)#&Ä #6&0?#4B #9! 0#4,8 ,Ä&)! # ,Ä#6-Ä0-4, &),-Ä	###FS<AS2>W	###SAC$SFCW
	d###SEISC:<	d###FCASS$<

#

*)#M!6! 8R! .#F$S#2E$C#&Ä #2E$AS#d$2S><2SFIE#&Ä #d$$SC2SE::S#!0 (! 6),;! 4DS#0# + ! #9- 8 #.!4&)! # (.-(!.),!0#9-. # ! ; !4-(8! Ä)#&Ä #6&0?#4-B#9!0Q#)#M!6! 8 R!.#F$S#2E$C#&Ä #2E$AS# ! ; !4-(8!Ä) #9!0 # .!6!, ; ! #R+)#Ä-)#D!)# &.Ä! #&.!#dI >CSF$#&Ä #d<C$SFICS#Ä#,0#0?- BÄ#0#&6-8(-Ä!Ä)#9#! 9 ..! # ,Ä6-8! #-Ä#)?! #6-Ä0-4 &)! #0&)!8!Ä)0#9#9Ä&Ä6,&4#(-0,),-ÄQ#

Note 11 - Investment in partnerships

N?!#3 - 8(& ÄD#S ,)?!. #&0#)?! #0-4! #8! 8R!.#- 9#)?!#! Ä),)D#.#)?! #$EE^ #B Ä! .#9#)?! # ! Ä! .&4#(&.)Ä!.S#?&0# 8& ! #6&(,)&4#6-Ä).,R+),-Ä0#)-#0-8! #- 9#)?! #! Ä),),!0#)?&)#-B Ä#&9. &R 4!#?- +0,Ä' # ! ; !4-(8!Ä)0Q#*)#

M!6! 8R!. # F$$# 2E$C#&À # 2E$AS#,À;!0)8!À) # ,À#(.-(! .),!0# ,0# dASCCES>> # &À # d$>SE$CSE<S# .!0(! 6),;! 4D#9# B?,6?# dASAS22# &À # d$<SAFSC2S#.! 0(! 6),;! 4D# ?&0# R!!À # ! 48, À&)! # ,À# 6-À0-4, &),-ÀQ#

ÃÀ[&D#2E$AS#?!#3-8(& ÀD#+.6?&0! #&#À- ÀG6-À,-44À' # ! À! .&4#&.)À! .#,À)! .!0)#,À#0!; ! À#(.-(! .),!0# 4-6&)! #,À#3 ,À6,ÀÀ&),#HJQ#N?! #À; !0)8 ! À)0#&.! #! 6- . ! #+0,À' #)?! #Y+,)D#8 !)?- Q#N?! #R&4&À6!# 9#)?,0# ,À;!0)8 ! À)#&)#M! 6! 8R!. #F$$#2E$C#&À #2E$A#,0#d$>FSIE2#&À #d$>I S$I2 S#!0 (! 6),;! 4D#N?! #À;!0)8!À)# R&4&À6!0#-9#)?! 0! #(.-(! .),!0 #&.!#,À6+! #,À#)?!#,À;!0)8!À) #,À(#-(! .),! 0#R&4&À6!0 #À-)! #&R-; !Q#

ÃÀ#[&D#2EA#?! #3-8 (& ÀD#(+6?&0! #)?!#8 &À& ,À' #8!8R! .#! À! .&4#&.)À! .#,À)!.! 0)#À#K-0&À),;,4#* (&.)8! À)0#K,8,)! #/&.)À!.0?, (#TUK*K%VWKQ#K%#,0#)?!#48,)! #(&.)À!.#,À#=48#7)Q#! À,-.#J-0,À' $#K) $# &À#+À.!4&)! # !À),)D#N?!# ,À;!0)8 ! À)#,0#.!6- . ! #+0,À' #)?!# !Y+,)D#8!) ?- Q#N?!# R&4&À6!#-9#)?,0# ,À;!0)8 ! À)#&)#M! 6! 8R!. #F$$#2E$C#&À #2E$A#,0#d$$I FS<I#&À#d$$C$SE2E#! 0(!6),;! 4D#

3! .)&,À#9À&À6,&4#À9-.8 &),-À#&B,)?#!0(! 6)#-#)?! 0!#,À;!0)8 ! À)0#&#M6! 8R! .#F$$#2E$C#&À #2E$AS#À #)?!#D!&.0#)?!À#!À ! S#&.!#&0#944B 0`##

	2E$C	2E$A
@)#À;!0)8 !À)#,À#! &4#0)&)!	####2S22SAF<	d####2:FS22A
N-)&4#&00!)0	####>S$#<SCI:	####CS#E2S<F$
%!. 8 &À!À)#9À&À6,À'#T,À64+ ,À'#&66.+!# ,À)! .! 0)W	####2#S$2ES>:	####2#S2F:S$CE
N-)&4#&R,4,!0	####<#A$#$SF:C	####2CS$:S EE>
K,8 ,)! # (&.)À!. /0#Y+,)D#T!9 ,6,)W	####2#S#$>SF:A	####2#S#:CSAAI
O! À!. &4#(&.)À!. 0/#Y+,)D#T!9 ,6,)W	####2S#F#S#FA<	####2S#F#S>FC
1 ! ; !À+!	#####.SE#F#SCIF	####F#S#SC>
=" (!À0 !0	#####>S#F#SE><	####>S#F#SCF
@) #À6-8 !#T40 0W	####T#F#S#$2FW	####T#F#<S><W

Note 12 - Commitments and contingencies

Lease commitments

N?!#3-8(& ÀD#!!&0!0#- 9,6! #0(&6!# +À ! .#&#À- ÀG6&À6!4&R4!# - (! .&),À' #4!&0!#,À#Z-0)-À $#[* $#B?,6?# ! "(,.! 0#g+À! # F$# 2E2EQ# N?! # 3-8 (&ÀD# !À)! .! # ,À)-# &# À B# À ÀG6&À6! 4&R4# -(!.&),À' #4!&0!#,À# M! 6! 8R!. #2E$C#)?&)#B,4#-88!À 6!#,À#" +' +0)#2E2E#&À #! "(,.! 0#,À#H6)-R!.#2EFEQ#1 ! À)&4#! "(!À0! $# ,À64+0,;!#-9# (! .&),À'#6-)0#9-.#)?! #D!&.0#À ! #M! 6! 8R!. #F$$#2E$C#&À #2E$A#-)&4!#d<AES<IG#&À # d<<CSE$$#!0(! 6),;! 4D#

%H*J #KK3 #4 &0! 0#-99,6 #0(&6!# +À ! .#&#À- ÀG6&À6!4&R4 #-(!.&),À'# 4 &0! #,À#3 ?,6&' -S#À,À-, 0QÃ# 7! ( )!8R! .#2E$>$#&#!&0!#")!À 0,-À#B&0#"!6 +)! #)?&#6-8 8 !À6! #,À[&D #2E$A#&À # "(,.!0 #,À# (.,4# 2E2I Q#! À)&4#(! À0!$#À64+0,;!# -9#(! .&),À'#6-)0$9-.#)?!#D!&.0#À ! #M!6 !8R! .#F$$2E$C#&À #2E$A# -)&4!#d$A: S>IF#&À#d$C SCC$#! 0(! 6),;! 4D#

%H*J #KK3 #4 &0! 0#99,6#0(&6!#+À ! .#&#À- ÀG6&À!4&R4 #(!.&),À'#4& 0! #,À#P &0?,À) -À$#MQ3Q#B?,6?# !"(,.!0 #,À#g+4D#2E22Q#! À)&4#(! À0!$#À64+0,;!#-9#(!.&),À'#6-)0$9-.#)?!#D! &.0#À ! #M! 6! 8R!. #F$$# 2E$C#&À#2E$A#-)&4!#dAF$$FE#&À#d><S2<IS#.!0(! 6),;! 4D#

%H*J 3#4!&0! # 9)6!#0(&6!#+Ä! .#&Ä-ÄG6&Ä6!4&R4!# (! .&),Ä #4 &0! #,Ä# &Ä0&0#3 ,)D$,0 0-+ .,S#B,6?# !"(,.! #,Ä#5!R.+&.D#2E$C#%H*J 3#Ä)!.! #,Ä)-#&# B#Ä-ÄG6&Ä4&R4 #(! .&),Ä'#4!&0!#,Ä#@! 8 R! .# 2E$>#)?&)#6-88!Ä 6! #,Ä#(&. 6?#2E$A#&Ä #! "(,.!0 #,Ä#(&. 6?#2E2I Q## !Ä)&4!#(! Ä0!S#Ä64+0,;!# - 9#!& 4# !0)&)!#)&"!0 #&Ä # (! .&),Ä'#6-0)0S#?!#D!&.0#Ä ! #M! 6! 8R!.# F$S#2E$C#&Ä #2E$A#)-)&4!#d$:2 SF2# &Ä#d$2CS$>ES#0(! 6),;! 4D@#

5+)+.! #8,Ä8+ 8#4 &0! #(&D8! Ä)0#+Ä! .# (! .&),Ä'#4!&0!0 #&0#-9#M! 6! 8R!. #F$S#2E$C#&.! #&0#9 44B 0`#

	Ä@3	KK3	%H*J 3	N-)&4
2E2E	d####H$F#S$FC	d####I2#!S2EF	d####$F#C#S2<	d#$S EE<S<A
2E2$	#####C#FE#S#C<I	#####I2#C#SFA$	#####$#C#S#E	#$#$FFCS:$
2E22	#####C#I$S#C#E:	#####I2#!#S<:E	#####$#F#S2#<	#$#$F<C#S$E
2E2F	#####C#<#C#S#<2$	#####I$#F#S:CF	#####$#>#S#F<	#$#$FEE#SIE
2E2:	#####C#A#A#S#C:C	#####I$#>#SE2E	#####$#<#S#S#E>	#$#$F2<$><>
	d####S#I#S I >C	d###$#S#2>S>F>	d#####>#E#S#FE	d#<#SF:2SC:<

Other commitments or contingencies

N?!#3 - 8(& ÄD#.#)0#&99,4&)!0#0! .;!# &0#)?!#'! Ä!.&4#(&.)Ä!.#.#8 &Ä&, Ä'#3 !8R! .#9-.#&.,-+ 0#Ä),),!0#)?&)#&.!#)?!#-B Ä!.0#9#)?!#&99- &R4!#?- +0,Ä'#(.-(! .),!0 Q##?!#,Ä; !0)-. 0#&Ä#,Ä#0-8! #6&0!0#)?!#4!Ä !. 0# ,Ä#)?!0! #Ä),),!0#+0+&4D#!Y+ ,.!#'+ &.&Ä)!!0 #9-8 #%H*J #Ä),),!0#Ä#R!?&4#9 #)?!#! Ä!.&4#(&.)Ä!. # .# 8&Ä&', Ä'#3 ! 8 R!.#&0#&#6-Ä ,),-Ä#-#)?!, .#Ä;!0)8 ! Ä)Q#!Ä!.&4DS#!0! #+ &.&Ä)!!0#&.!#9 .#R4'&),-Ä0# 0+6?#&0#6-Ä0).+6),-Ä#&Ä #.!?& R,4,)&),-Ä#6-8(4!),-ÄS#+Ä Ä'#-9#-(!.&),Ä'#! 9,6,)0#&Ä #)&"#6.! ,)# .!6&( )+.!#(.,6!#& b+0)!.0@#

* #0+88& .D#9#)?!#'+ &.&Ä)!! 0# +)0)&Ä ,Ä'#&)#M!6! 8R!.# F$S#2E$C#,0#&0#9 44 B0Q#?!! #@)!#$<#9 . #&# !)&,#-9#)?!0#Ä),),!0@##

=Ä),)D	* 6Y+,0,),-Ä# D &.	O+&.&Ä)D	3 - Ä0).+6),-Ä# ' +&.&Ä)D# 8&",8+ 8 # &8 -+Ä)	K-&Ä#+ &.&Ä)!!	H(!. &)Ä'# ! 96,)# !" (,. &),-Ä	H(! .&),Ä' # !9 ,6,)# 8&",8 +8# &8 -+Ä)	* ;&Ä6! 0#&)# M!6! 8 R!.#F$S# 2E$C
g! 9 .0-Ä	2EEF	#$W#2W	@*	@*	M! 6! 8 R!. #2E2<	d####C#E#AC:	d#####$#A2 TAW
H&X&Ä	2EEF	#2W	@*	@*	@*	@*	##########G######
P -- 4!Ä	2EE:	#2W	@*	@*	@*	@*	##########G######
Z!&6?B--	2EE:	#2W	@*	@*	@*	@*	##########G######
7-+)?B,Ä 0	2EE:	#2W	@*	@*	@*	@*	##########G######
[!& -B R.--X	2EE:	#2W	@*	@*	@*	@*	#####$#2#S:A TAW
M.,9B--	2EEI	#$W#2W	@*	@*	@Ä!	#####2#E S>EI	##########G######
3 .! 0);,! B	2EEI	#$W#2W	@*	@*	TAW	#####I#C SI: >	#####2#F#S2CE TAW
P &0?,Ä')-Ä#O& ! Ä0	2EEI	#$W#2W	@*	@*	@*	@*	##########G######
O&.9!4 #J ,440	2EE<	#$W#2W	@*	@*	@*	@*	#####A#C#S>F: TAW
J,440!	2EE<	#2W	@*	@*	@*	@*	##########G######
%- 6&00!)	2EE<	#T2W	@*	@*	@*	@*	##########G######
J ,4&6.! 0)	2EE>	#2W	@*	@*	@*	@*	##########G######
Z., 4 #%&)?	2EE>	#2W	@*	@*	@*	@*	##########G######
3 ?!0)Ä+#O&. !Ä 0	2EE>	#2W	@*	@*	@*	@*	##########G######
M-8 #@&.- - BD	2EE>	#T2W	@*	@*	@*	@*	##########G######
=&0)' &)!	2EE>	#2W	@*	@*	@*	@*	##########G######
5&,.B!&)?!.	2EE>	#2W	@*	@*	@*	@*	##########G######
5,!4 0)-Ä!	2EE>	#2W	@*	@*	@*	@*	##########G######
J ! .,)&' !	2EEA	#2W	@*	@*	@*	@*	##########G######
3 - 6?! 6-	2EEA	#2W#F#W	@*	@*	@*	@*	##########G######
1 ,;! .;,! B	2EEA	#FW	@*	#####$#E#SEEE	@*	@*	##########G######
LÄ,)! # 5.-Ä)	2EEA	#$W#2W	@*	@*	T>W	####$#E#E SEEE	#####2#S#C TAW
P 3 7	2E$E	#$W#2W#<W	@*	@*	T>W	####I#SEEE	##########G######
7+'&. #! ,;!.	2E$E	#$W#2W	@*	@*	T>W	####I#SI SEEE	##########G######
@!B#J- .,c- Ä0	2E$E	#$W#2W	@*	@*	@*	@*	##########G######
3 .-8 B! 44	2E$$	#$W#2W	@*	@*	T>W	####I#SI SA$I	##########G######

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2019 and 2018

=Ä),)D	*6Y+,0,),-Ä# D &.	O+&.&Ä)D	3-Ä0).+6),-Ä# ' +&.&Ä)D# 8&",8+8 # &8-+Ä)	K-&Ä#+ &.&Ä)!!	H(!. &)Ä'# !96,)# !" (,. &),-Ä	H(! .&),Ä' # !9 ,6,)# 8&",8 +8# &8 -+ Ä)	* ;&Ä6! 0#8)# M!6 ! 8 R!. #F$S# 2E$C
1 ! Ä&,00&Ä6!	2E$$	#$W#2W	@*	@*	@*	@*	######G######
Z4&6X0)-Ä!	2E$2	#$W#2W	@*	@*	g+Ä!#2E$A	###$$C:A<I	######G######
5.&ÄX4Ä	2E$2	#$W#2W	@*	@*	T>W	###$C:$A2A	######G######
\ !Ä8 - .!	2E$2	#$W#2W	@*	@*	T>W	###2F<$EEE	######G######
%I)! ./0#O.- ; !	2E$2	#$W#2W	@*	@*	T>W	#####FS>I	######G######
1 - 6X#I &.R- .	2E$2	#$W#2W	@*	@*	g+Ä!#2E$A	####$ $CAF	######G######
P 3 @	2E$2	#$W#2W#<W	@*	@*	T>W	####+2$EE	######G######
3 4&D#- Ä #8 - ; !	2E$2	#$W#2W	@*	@*	T>W	####CF$:F	######G######
\ ,Ä'0 #K&Ä,Ä'	2E$F	#$W#2W	@*	@*	T>W	####F$>F	######G######
3 !Ä).&4#ÄÄ!"	2E$F	#$W#2W#C:W#	@*	@*	T>W	#### $2IC	######G######
N- . . ,Ä'9-.	2E$F	#$W#2W	@*	@*	T>W	####F $EIE	######G######
O.&6!	2E$F	#$W#2W	@*	@*	T>W	####E2$<I	######G######
H4#[, 4!) -B Ä	2E$:	#$W#2W	@*	@*	T>W	#####EE<A	######G######
P %#7 !Ä,-.	2E$:	#$W#2W#<W	@*	@*	T>W	####2A#F:	######2EF TAW
J &.R- . #8 ,)D	2E$:	#$W#2W	@*	@*	T>W	#####E $EEE	######G######
M!ÄÄ,0	2E$:	#$W#2W	@*	@*	T>W	####$$CI<	######G######
K&&D))!	2E$:	#$W#2W	@*	@*	T>W	####A $EEE	######G######
Z.,0)-Ä# .8 0	2E$I	#$W#2W#FW	@*	#####F$EEEE	T>W	####$#I $EE	######G######
@ BR!. .D	2E$I	#$W#2W#FW	@*	######$#2:$	T>W	####I2#$C:	######G######
Z,4,4,Ä0 #5- . '!	2E$I	#$W#2W#C:W	@*	@*	T>W	#####2EEEE	######G######
3 ?!. .D#Z.,''0	2E$<	#$W#2W	@*	@*	T>W	####I#C#$CE	######G######
N.,&Ä-Ä	2E$<	#2W#FW#$EW	@*	#####I#EEEEE	@*	@*	#####F$2E TAW
Z.&Ä D#I ,44	2E$<	#$W#2W	@*	@*	@*	#####FEEEE	######G######
5- +Ä !. 0	2E$<	#$W#2W	@*	@*	@*	#####FEEII	######G######
N.,Ä,)D#N- B ! .0#=&0)	2E$<	#$W#2W	@*	@*	@*	#####<EE:	######G######
N.,Ä,)D#N- B ! .0#7- +)?	2E$<	#$W#2W	@*	#####C$EEEE	@*	####A$$EE	######G######
N.,R+Ä!	2E$<	#$W#2W	@*	@*	@*	#####$#$I	######G######
P -- 4&B Ä#I - 44+(	2E$>	#$W#2W#I W	#>$$IS:FE	@*	@*	####$F2$CI<	#####2CF$E2 TAW
P -- 4&B Ä#7)&)-Ä	2E$>	#$W#2W#FW	@*	#####I$EEEE	T>W	####F#C$EE	######G######
H"9-.	2E$>	#$W#2W	@*	@*	@*	####A$EE	######G######
P ?,)),!. #$* G	2E$A	#$W#2W#I W	#. W	####2$ $E E$EEE	T>W	####I F2$EE	######G######
P ?,)),! .#$' GC	2E$A	#$W#2W#S#I W	#. W	#####>$EEEE	T>W	####F#I$EE	######G######
Z! 9 -.	2E$A	#$W#2W#. W	#. W	@*	T>W	#####I#$:E	######G######
O.!! ÄB--	2E$A	#$W#2W#I W	#. W	####2FEE$EEE	T>W	####2A$EE	#######H######
* R,' &,4#(&.)8 !Ä)0	2E$A	#$W#2W	@*	@*	T>W	####> $EE	
* R,Ä') -Ä#1 &6! # #/4!&0&Ä)	2E$A	#$W#2W	@*	@*	T>W	####2A<$EFE	####$#$EE
Z+.Ä!)#%&6!	2E$A	#$W#2W	@*	@*	T>W	####$ E$EE	#####E$#E TAW
[&'Ä-4,&#!,'?) 0	2E$A	#$W#2W	@*	@*	T>W	####2A$A:	####$#$F#C
@&;&. .! #D&. .-Ä!	2E$A	#$W#2W	@*	@*	T>W	####CA$F2A	#######H######
@ - .)?#I ?,Ä#J ! ,'?) 0	2E$A	#$W#2W	@*	@*	T>W	####2# : $FI2	#####2E2#
HN1 #I ! ; ,)&4c&),- Ä	2E$A	#$W#2W	@*	@*	T>W	####ASE<A	#######H######
%IÄ 4!) -Ä #- 0)&)! 0	2E$A	#$W#2W	@*	@*	T>W	####> $E:I	#####E2$F# TAW
h,44&#09#)?! #h&44!D	2E$A	#$W#2W	@‡	@*	T>W	####EC$FI2	#######H######
h,44&#09#)?! #h&44!DÄ	2E$A	#$W#2W	@‡	@*	T>W	####E$$<F2	#######H######
P ! 04 D#=0)&)! 0	2E$A	#$W#2W	@*	@*	T>W	####A#$E2E	#####22$FC# TAW
P J #[&,Ä0).&00!	2E$A	#$W#2W	@*	@*	T>W	####< F	#######H######
J ! 4- Ä#% ,Ä)!		#$W	@*	@*	T>W	####I#$EEE	#######H######
gZK	2E$C	#$W#2W#. W	#. W	@*	T>W	####E $EEE	#######H######
7-+)?#8 ?,6&'-	2E$C	#FW	@*	#####$A#>C$	@*	@*	#######H######
7-+)?#7 +R+R&Ä	2E$C	#FW	@*	#####2$#$A<	@*	@*	#######H######
* +0),Ä	2E$C	#FW	@*	#####$EEEEE	@*	@*	#######H######
Z+.Ä?&8 #7 6?--4?-+ 0!	2E$C	#FW	@*	#####A$EEEE	@*	@*	#######H######
Z+.Ä?&8 #[&Ä-.	2E$C	#FW	@*	#####$#$EEE	@*	@*	#######H######
\ !. (!. # (&.)8 !Ä)0	2E$C	#FW	@*	#####>C#EEE	@*	@*	#######H######

ND(! 0# 9# +&.&Ä)!! 0
T$W#(!! .&),Ä' # ! 96,)0
T2W#N&6! ,)#! 6&( )+.! #(.,6! #& b+0)! .0
TFW#K-&Ä#+ &.&Ä)!!
T. W#3 - Ä0).+6),-Ä#!?&R,4,&),-Ä#6- 8 (4!),-Ä$(!. #&' .!! 8 !Ä)#)? .! #0#Ä #4 ,)#-Ä#)? #8 - +Ä)#-9#)?0# +&.&Ä)#! !
TI W#3 - Ä0).+6),-Ä#6- 8 (4!),-Ä#&Ä #6- Ä0).+6),-Ä#4-&Ä#+&. &Ä)!!
T<W#5,Ä&Ä6Ä'#6- ; ! .&'!# '+& .&Ä)!!
H)?!.
T>W#NB- #)- #9; ! #D&. 0#9- 8 #6- Ä0).+6),-Ä#6- 8 (4!),-Ä#&Ä]- . #R ! &X! ; ! Ä
TAW#- 4,8,Ä&)! # ,Ä#- Ä0 - 4, &)-Ä
TCW# ÄÄ+&#6- 8 8 ! .6,&4#6- 8 ! #+&. &Ä)!!
T$EW#Z&0,6#!Ä)#+& .&Ä)!! #(!. #@) #K!&0!

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Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2019 and 2018

Note 13 - Financial instruments

[illegible]

Note 14 - Rent subsidies

[illegible]

Note 15 - Net assets with donor restrictions

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

Note 16 - Limited partnerships and limited liability companies

[illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
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##W#J,446 0)#%.!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	%-;, !Ä 6!S#1Ä	####$FE
##W#5,!4 0)-Ä!#%.! 0!.; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	@&&'&Ä0!)) S#1 Ä	#####2:
##W#J!.,)& '!#% .!0 !.; &),-Ä#*00-6,&)!0#K8 ,)! # %&.)Ä!.0?,(	@-.)?# ,Ä' 0)-B ÄS#1Ä	#####2E:
#AW#O.&6! #%!0!. ;&),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	%-;, !Ä 6!S#1Ä	####E
#CW#3?!. .D#Z,"0 #%!0!.; &),-Ä#*00-6 ,&)! 0#K8 ,)! #%&.)Ä!.0?,(	g-?Ä0)-Ä# #%-; , !Ä6!S#1	####$<E
$EW#H"9- #%.!0!. ;&),-Ä#*00-6,&)!0#K8 ,)! #%&.)Ä!.0?,(	%-;, !Ä 6!S#1Ä	####$2A
$$W#g!99 .0-Ä#[&, 0-Ä#=&0)#K8 ,)! #M,;, ! Ä #J-+ 0,Ä'#* 00-6,&),-Ä#KK3	M!).-,) S#Ä	####2AE
$2W#H&X4&Ä #O.&Ä#J&;! Ä#K,8,)! #M,;, ! Ä #J-+ 0,Ä'#* 00-6,&),-Ä#KK3	N.-DS#[Ä	#####2C>
$FW#[!& -B R.--X#%!0!. ; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	@-.)?&8 ( )-ÄS#[*	#####2I 2
$:W#Z., 4! #%&)?#%.!0 !.; &),-Ä#*00-6,&)!0 #K8 ,)! # %&.)Ä!.0?,(	1&Ä -4(? S#*	####$E:
$IW#3?!0)Ä+)#O&. !Ä0# %.! 0! .; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	KDÄÄS#*	#####KI
$<W#M-8 #@&.- - BD#%40X,#%!0!. ; &),-Ä#*00-6 ,&)!0#K8 ,)! #%&.)Ä!. 0?,(	3?,6-(!! S#*	#####ME
$>W#=&0)' &)!#%.!0 !.; &),-Ä#*00-6,&)!0#K8 ,)! # %&.)Ä!.0?,(	7(.,Ä'9,!4 S#*	####$: A
$AW#5&,.B! &)?!.#%.!0!.;&),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä!.0?,(	Z! ;!. 4DS#M&Ä;! .0S	####F2$
$CW#LÄ,)! #5-Ä)#@Ä!#%! 0!.; &),-Ä#*00-6,&)!0#K8 ,)! #%&.)Ä!.0?,(#	@!B#Z! 9-. S#[*	####$>F
2EW 3.-8 B!44#%.! 0!.; &),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä!.0? ,(	JD&Ä,0S#*	####$2:
2$W 3Z#1! Ä)&4#K,8 ,)! #%&.)Ä!.0?,(	Z-+.Ä!S#[*	#####2A
22W#Z4&0)-Ä!#%.!0 !.; &),-Ä#*00-6,&)!0 #K8 ,)! # %&.)Ä!.0?,(	Z-0)-ÄS#[*	####$: I
2FW 5.&ÄX4,Ä#%.!0! .; &),-Ä#*00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	Z-0)-ÄS#[*	####$CF
2:W \ !Ä8-.!#* RR D#%!0 !.; &),-Ä#*00-6,&)!0#K8 ,)! # %&.)Ä!.0?,(	Z-0)-ÄS#[*	####$CC
2IW#%!)!./ 0#Q-; ! #%!0!.; &),-Ä#*00-6 ,&)! 0#K8 ,)! #%&.)Ä!.0?,(	J+ 0-ÄS# *	#####C<
2<W#1-6X#J&.R-.#%!0 !.; &),-Ä#*00-6,&)0#K,8,)! #%&.)Ä!.0?,(	H.4!&Ä0$ *	####$EE
2>W#34&D#%Ä-#%! 0!.; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	Z-+.Ä!S#[*	#####I
2AW# ,Ä'0#K&Ä ,Ä'#%!0!. ; &),-Ä#*00-6,&)!0#K8 ,)! #%&.)Ä!.0?,(	Z.!B 0)!.S#[*	####$EA
2CW 3!Ä).& 4#ÄÄ!"#%!0!. ; &),-Ä#*00-6,&)!0#K8 ,)! #%&.)Ä!.0?,(	%))09!4 S#[*	####E
FEW M!ÄÄ,0#3-8 8+Ä,)D#J+0,Ä'#%.!0! .; &),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä! .0?,(	M!ÄÄ,0S#*	#####2>
F$W#Z.,0)-Ä#*.8 0#%!0!.; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	3&8 R, ' !S# *	####$I :
F2W 5-+Ä !.0#3-+ .)#%.!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	JD&ÄÄ,0S#*	#####F2
FFW#Z.&Ä D#J,4#%.! 0! .; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	=@#P&.!? &8 S#*	####$F2
F:W#N.,R+Ä#%.!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	5.&8 ,Ä'? &8 S#*	#####MF
FIW#3&Ä&#Z4+9@#%F#%!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	Z-+.Ä!S#[*	#####I
F<W P ?,)),!. #$*G#%.!0!.; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	Z-0)-ÄS#[*	#####MA
F>W P ?,)),!. #$*C#%.!0!.; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	Z-0)-ÄS#[*	#####F:
FAW#Z! 9- . #h ,4&' !#%.!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	Z! 9-. S#[*	####$2:
FCW 3.!0) ; ,!B #%!0! .; &),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä!.0 ?,(	\ &ÄX&X! S#K	####$F2
:EW P 3 7#%.!0! .; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK	#####K>
:$W# 1!Ä&,00&Ä6!#%.!0 .; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK	####$$>
:2W P 3@#%.!0!.; &),-Ä#*00-6,&)! 0#K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK#	#####FF
:FW P %#7!Ä,-.#%! 0! .; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK#	#####KI
::W K&9&D)!#%! 0!.; &),-Ä#*00-6,&)!0#K8,)! # %&.)Ä!.0? ,(	3?,6&'-S#ÄK#	#####C:
:IW @!BR ..D#%!0!.; &),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä!.0 ?,(	3?,6&'-S#ÄK#	#####A:
:<W P -- 4&BÄ#7&),-Ä#%!0 !.; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK#	#####>E
:>W P -- 4&BÄ#1-44G+(#%!.; &),-Ä#*00-6,&)!0 #K8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK#	####$C<
:AW O.!!Ä B-- #%. !0 !.; &),-Ä#*00-6,&)!0 #K,8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK	####$22
:CW gZK#%.!0!.;&),-Ä#*00-6,&)!0 #K,8 ,)! #%&.)Ä!.0?,(	3?,6&'-S#ÄK	####$E<
IEW P &0?,Ä')-Ä#O&. !Ä 0#%!0!.; &),-Ä#*00-6 ,&)! 0#K%Q	J&'!.0) -B ÄS#M	####$EE
I$W O&.9,!4 #J,44#%!0!.; &),-Ä#*00-6,&)0#K,8,)! #%&.)Ä!.0?,(	P &0?,Ä')-ÄS#M3	#####C:
I2W 3-6?! 6-#%!0 ! .; &),-Ä# 00-6,&)!0#K8 ,)! # %&.)Ä!.0?,(	M-;!. S#@J	#####>A
IFW 7+'&. #1,;!.#%.! 0! .; &),-Ä#*00-6,&)!0#K,8,)! #%&.)Ä!.0?,(#	34&.!8 -Ä)S#@J	####$<2
I:W @!B#J-.,c- Ä0#%!0!. ;&),-Ä#*00-6,&)! 0#K%	[,&8 ,S#5K	####$EE
IIW J&.R-.#3,)D#NB! .0#KKK%	[!4R-+.Ä! S#K	####$C2
I<W N.,Ä,)D#N-B! .0#=&0)#%.!0 !.; &),-Ä#*00-6,&)!0 #KKK%	[!4R-+.Ä! S#K	####$I <
I>W @!B#N,Ä,)D#NB! .0#7- +)?#%.! 0!.; &),-Ä#*00-6,&)0 #KKK%	[!4R-+.Ä! S#K	####$<2
IAW N-..,Ä' 9-. #P !0)#%.!0 !.; &),-Ä#*00-6,&)!0#K8,)! # %&.)Ä!.0? ,(	N-..,Ä')-Ä S#3 N	#####>C
ICW Z,4Ä'0#5-.'! #KK3		
<EW Z,4Ä'0#5-.'! #%.!0!.; &),-Ä#*00-6 ,&)! 0#K8 ,)! #%&.)Ä!.0?,(	J&.)9- . S#3 N	####$$2
<$W H4 #[, 4!) -B Ä#%!0! .; &),-Ä# 00-6,&)!0 #K8 ,)! # %&.)Ä!.0 ?,(	[, 4!) -B ÄS#N	#####KI
<2W * R,'&,4#(&.)8!Ä) 0#K,8 ,)! #%&.)Ä!.0 ?,(	3,Ä6,ÄÄ&),S#H	#####>$
<FW * R,Ä')-Ä#1&6!#&Ä #%4!&0&Ä)S#KK3#ÄÄ0- 4, &) W	3,Ä6,ÄÄ&),S#H	#####E
<:W Z&D8,4#[& Ä-.#K,8 ,)! #%&.)Ä!.0?,(	3,Ä6,ÄÄ&),S#H	#####F$

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Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2019 and 2018

	! "#$	%& () * "+,'* -"# !	.' /+ 0+ 1! #2
345	67&!) "+%8-*)+,#9 #'):+ %-&"!)&2;#<+=!""+* !2'8#:-"):5	>#* #!!-" #?+@	++++3B
335	C-#&D#E)+ 2"- ")2 +,#9 #'):+ %- &!")&2;#<	>#* #!!-"#?+@	++++BF
3G5	,'2-! "#D#88)H<-&"9)! "2+,#9 #'): +%&"!)&2;#<	>#* #!!-"#?+@	++++FG
3F5	I -J! '8#-+A)#J;"2 +,#9#"):+ % &!)&2 ;#<+=!""+* ! 2'8#:- "):5	>#* #!-"#?+@A	++++KF
3K5	.-D -&&)+L-&&!)+,#9 #'):+%- &!)&2 ;#<	>#* #!!-"#?+@	++++3B
GM5	.'&";+ N;#!)+A)#J;"2 +, #9 #'):+%-&"!)&2;#<+=!""+*!2'8 #-"):5	>#* #!!-"#?+@	++++34
GO5	@PNH)D#"-8#Q#!+,# 9 #') :+%- &"!)&2;#<+=!""+*'! 2'8#:-"):5	># * #!!-"#?+@	++++KÄ
GB5	%)!:8)""!+ 2"-")2 +,#9#"):+ % &"!)&2;#<	>#* #!!-"#?+@	++++ÄB
GĀ5	R#8#2 + 0"+,)+ R- 88)$+,#9#'):+%- &"!)&2;#<+=!""+*'! 2'8#:- "):5	, #* '8!+A) #J;"2+@A	++++ÄB
GÄ5	R#8#2 + 0"+,)+ R- 88)S#9 #'):+ % &"!)&2;#<+=!""+* !2'8#:-") :5	,#!* '8!+A) #J;"2+@A	++++Ā4
G45	T) 2#) $+ 2"- ") 2+,#9 #"):+%&"!)&2;#<	>#* #!!-"#?+@	++++BK
G35	U)&<)&+V)D)8'<9)!"+,#9 #'):+ % &"!)&2;#<	>#* #!!-"#?+@	++++ĀF
GG5	T A+I -#!2 "&-22)-S+, ,%	>' !D#!J"' ! ?+UW	++++ÄO
GF5	%@HA+H&'!+ 6 &#JJ2+,>+=OMMX+E !):+Y$+%@HA?S!*5		
GK5	%@HA+Q#)8:2"!)+H <- &'9)!"2+,,>+=OMMX+'E!):+Y$+%@HA?+S!5		
FM5	%@HA+@8:+ #:8)"'E !+,,>+=OMMX+@E):+Y$ +%@HA?+S!* 5		
FO5	%@HA+>)!" & 8H!!)Z +,>+ =OMX +E !):+Y$+%@HA?S!*5		
FB5	[[HA +,>+=OMMX+'E!):+Y$ +%@HA?S!*5	T) $9 '7" ;?+I H	++++BM
FĀ5	[-8)9+ A)#J;" 2+%&)2)&D'#!+H22 '* #-")2?,#9 #'):+%-&"!)&2;#<+=OMMX E!):+Y$+%@HA?S!*/5	[- 8)9 ?+I H	+++BFĀ
FÄ5	I - ""- <-!+["- "#!+% &)2)&D "#! +H22' *#-")2+,, >+=OMMX+'E +Y$+%@HA?S!*5		
F45	%@HA+6&-!:$ +A#8,+> +=OMMX+'E +Y$+%@HA?S!*5		
F35	%@HA+R!"7&)2 +,,>+=OMMX+E!):+Y $+%@HA?S!* 5		
FG5	6N+[7J-&+N#D&+,#9#'): +%&"!)&2;#<+OMMX+E!):+Y$ +%@HA?S!* 5		
FF5	%@HA+U#!J2+,-!:#!J +,,>+=OMX +E !):+Y$+%@HA?S!*5		
FK5	N#D)8#)E+N)2#:)!*)2+V'D)&+,,>+=OMX +E !):+Y$+%@HA?S!*5	V' D)&?+A	++++BÄ
KM5	%@HA+>7'8)&I+)-:'E 2+,>+ =OMMX+E!):+Y$ +%@HA?S!* 5	I #-9 #?C,	+++BB4
KO5	%@HA+>7'8)&I+-!'&+, ,>+=OMX +E !) :+Y$+%@HA?S!*5	I #-9 #?C,	+++BOK
KB5	%@HA+I#::8) "'E !)+H<-&"9)! "2+,,>+=OMMX+E!):+Y $+%@HA?S!* 5	@&-!J) +%-&\?C,	+++OMM
KĀ5	%@HA+>-9 <Y)88H&92?+,>++=OMMX+E!):+Y $+%@HA?S!* 5	A' 9) 2")- :?+C,	+++BMO
KÄ5	%@HA+>7'8)&I+-!'&+SS?,,>+=OMMX+'E!):+Y$ +%@HA?+S!* 5		
K45	%@HA+.)E +A'&#Q! 2?+,,>+=OMMX+'E!):+Y$+%@HA?+S!5		
K35	%@HA+R&#!$"P'E) &2 -2 "?+,, >+=OMMX+E !) :+Y$+%@HA?S!*5		
KG5	%@HA+R&#!$"P'E) &2+T)2 "?+,,>+=OMMX+E !) :+Y$+%@HA?S!*5		
KF5	P&#!$"P E) &2+['7";+%&)2)&D'#!+H 22'* #-") 2+,,% =OMMX+E!) :+Y$+%@HA?S!* 5		
KK5	%@HA+.[%+>,#*-J'+ ,,>+=OMX +E !):+Y$+%@HA?S!*5	>; #*-J'?+S,	+++++3+
OMM5	%@HA+L &D)+% &*H<-&"9)!" 2+,>+ =OMMX+E!):+Y$ +%@HA?+S!* 5	>; #*-J'?+S,	
OMO5	%@HA+A'8:#! J2+=OMMX+'E:+Y$+%@HA?S!*5	>; #*-J'?+S,	
OMB5	%@HA+IP> B+F#8)+A'8:#!J+>' 9 <-! $+,,>+=OMMX+'E!):+Y$+%@HA?+S!* 5	>; #*-J'?+S,	++++BG
OMĀ5	%@HA+[7<<' &"+'&<' &-"#'!+=OMMX+'E!):+Y$ +%@HA?+S!* 5		
OMÄ5	%@HA+L &)!E ":+% - &\+,>+ =OMMX+E!):+Y $+%@HA?S!* 5	>; #*-J'?+S,	
OM45	%@HA+] 6 ,+,, >+=OMMX+'E +Y$+%@HA?S!*5		
OM35	%@HA+['7";+> ;#*-J' +W+A'8:?+,>+=OMMX+E !):+Y$+%@HA?+S!5	>; #*-J'?+S,	+++OMO
OMG5	>'&*' &-!+%&)2)&D "#! +H22' *#-")2+,#9 #'):+ % &"!)&2;#<+=OMMX+E !): +Y$+%@HA?S!* 5	>; #- J'?+S,	++++KÄ
OMF5	%@HA+N'2)8-!:+ - 2"+OOM"%8-*)+A' 8:+,#9 #"):+%&"!)&2;#<+=OMMX+'E!):+Y $+%@HA?S!*5	>; #*-J'?+S,	++++3M
OMK5	%@HA+T - 2; #J"'!+ %-&\S!:#-!-+H D) !7)+A'8 : +,#9#'): +%&"!) &2;#<+=OMMX+'E!):+Y$+%@HA?S!* 5	>; #*-J'?+S,	++++3M
OOM5	8J#!+['"8; '72)+ %&2)&D "#!+H 22' *#-")2 +,#9#'):+ % &"!)&2 #<+=OMMX+E !):+Y$+%@HA?S!* 5	8J#!?$,	++++BG
OOO5	8J#!+I-!'&+%&)2)&D"#!+H 22'*#-")2+,#9#'): +%&"!)&2;#<+=OMMX+'E!):+Y$+%@HA?S!*5	8J#!?$,	+++OMM
OOB5	%@HA+['7";+[7Y7&Y- ! +W+A'8?+,,>+=OMMX+E!):+Y$+%@HA?S!*5	A- &D)$?+,S	+++OBM
OOĀ5	%@HA+A-&D)$+ - 2"+O4O2"["&))"+A'8: +,#9 #'): +%&"!) &2;#<+=OMMX +E !):+Y$+%@HA?S!* 5	A- &D)$?+,S	++++3M
OOÄ5	%@HA+A-&D)$+T) 2"+O4O2"["&))"+A'8:+,#9 #'): +%&"!) &2;#<+=OMMX +E !):+Y$ +%@HA?+S!* 5	A- &D)$?+,S	++++3M
OO45	C-&&)8A'72) +%&2)&D "#!+H22 '* #-") 2+,#9 #'): +%&"!)&2;#<+OMMX+'E!):+Y$+%@HA?S!* 5	>; #*-J'?+S,	++++4K
OO35	>'8'! $+%8-Q-H22' *# ")2 ?+/%/+=OMMX+'E!): +Y$+%@HA?S!*5	Z')82#'&[+<&#!J2?+ @	+++OOO
OOG5	>'7!" &$>87Y+R#&#8)+H22' *# ")2 ?+/%/+=OMMX+'E!):+ Y$+%@HA?S!*5	[<&#!J0#)8H @	++++GM
OOF5	L 8)!E ":+I- !'&+H22'*#-")2 ?+/ %/+=OMMX+'E!):+Y$+%@HA?S!*5	[<&#!J0#)8H @	+++OOK
OOK5	A#J;8-!:+I)- :'E 2+H22' *#-") 2?+/%/+=OMMX+'E!):+Y$+%@HA?S!* 5	>- &";-J)? +I@	++++ÄÄ
OBM5	V))&&0#)8:+R#88)+H22' *#-")2 ?+,/%/+=OMX +E !):+Y$+%@HA?S!*5	>- &";-J)? +I@	++++3M
OBO5	A-E "; '&!)+H22'* #-") 2+,#9 #'): +%&"!) &2;#<+=OMMX+'E!):+Y$+%@HA?+S!5	S!:)<)!:)!*)?+I @	+++GÄ4
OBB5	>'7!" &$>87Y+R#&#8)+S$H22' *#-")2+^S?,#%/+=OMMX+'E!):+Y$+%@HA?+S!5	[<&#!J0#)8H @	++++BF
OBĀ5	A#J;8-!:+H * &)2+H22' *#-")2+^+S?/%/+=OMMX+'E!):+Y$+%@HA?+S!*5	>- &";-J)? +I@	++++Ā4
OBÄ5	A'72"'!+% 8-Q+H22' *#-")2+^S?,#%/+=OMMX+'E!):+Y$+%@HA?+S!5	H: &#-!?+ @	++++ĀÄ
OB45	I -<8)E":+I -!'&+H22'* #-") 2+^+S/%/+=OMMX+E!): +Y$+%@HA?S!* 5	T) Y+>#$"?+I@	++++3M

Note 17 - Deferred gain

!" #$!%&	' $($!!$) *+, -.	/ $0, 1$2 "%$* / 3-4,51$	+$. $!, 1*, !%$!* 6 " .%-57%.	/ 0!4$*2 " %$* / 3-4,51$
$%$!8 0*+ !"4$	********Ä9Ä;;<	********Ä9Ä:; ; <	***************=	***************=
/ "3 >*? , !5"!	********Ā@@:AÄ	********Ā@@:<AÄ	***************=	***************=
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6 G$!&*? -11	********<<<:9FÄ	***************=	***************=	********<<<:9FÄ HÄI
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+, -. *!$3" C. -N$) *(!" O *!3-#%*(" #!-. 3-#, 1*#, &O $. %.*-#!-" !*&$, !0	*******H9:9EL:FÄ9I	*******HA:Ā@<:@9ÄI	*****************=***	********HL@<:9ĀÄI
+, -. *!$3" C. -N$) *(!" O *!3-#%*(" #!-. 3-#, 1*#, &O $. %.*-9EAL	*******H9:9;Ā:<@LI	*******HA:<AA:LE<I	*****************=***	********HLLA:Ä@<I
+, -. *!$3" C. -N$) *(!" O *!3-#%*(" #!-. 3-#, 1*#, &O $. %.*-9EA;	*******HA:ĀL@AAFI	********HÄ<E:<@<I	*****************=***	********F<<:ÄÄÄI
	P****F9:; FL:AFA	P****@ĀÄ@99F<	P*****Ā:EÄF:L@F	P***Ä; :ÄLE:ÄEĀ

HÄI*Q7.) 0*1*,.$)*%* "3 , 00$%:*?10-) $*, .) *?-1$!$0%
H9I*Q7.)0 *1*,.$)*%*Q-!R$,%G$1:*6 G$0%7%*+,!)$ .0 *, .)* ' "O *2 ,! ") "R &
HĀI*Q7.) 0*1*,.$)*%*? $!-%C$*, .)* Q$1)0%. $
H<I*Q7.) 0*1*,.$)*%*Q!, . >1-*,.)*/ "3>*? , !5"!
H@I*Q7.) 0*1*,.$)*%*Q!, . >1-*,.)* $%$!8 0*+ !"4$
HÄI*Q7.)0 *1*,.$)*%*6 G$!&*K!-CC0

MG$*!$07 10*"(*%G$,$" 4$*%! 0,3 %". 0*, !$*$1O-. , %$) *-.*3". 0"1-), %". S*

Note 18 - Statement of cash flows

MG$*("1"R -. C*%, 5$*#!"4-) $0*, *!$3". 3-1,%-". "(*3, 0G:*3,0 G*$T7-4,1$. %0,:*)*!$0%.3%$)*3,0 G*!$#" !%$) * R-%G-.*%G$*5, 1,.3$ *0G$$%0*,0 "(*' 3O5$!*ĀA*9EA;* ,.)* 9EAL*%G,%07O*%* %G$*%, %1*(* %G$*0, O$* ,O"7 .%0-.*%G$*0%,%O. %0*(*3, 0G*(1"R0U*

	9EA;	9EAL
6 , 0G*,.)* 3, 0G*$T7-4, 1$. %0	*P****Ā:FĀ@Ä<A*	*P*Ā<:F<L:Ä<@*
/ $0%3%$) *3, 0G	*********:,A: ÄAA*	******:,AĀ:FÄ<*
/$ 0$!4$0	*********:,Ä9: F@<*	******:AAĀE;<L*
M$.,.% *0$37!-%*)$#"0 -%0	*********:1Ä@LAE9*	******:Ä@AÄAE*
M' %13, 0G*3,0 G*$T7-4, 1$.%0:*,.)* !$0%.3%$)*3, 0G* 0G' R. *-.*%G$*0%,%$O$. %*(*3, 0G*(1R0	*P****@@9@EL*	*P*<Ā:ĀEÄ<ÄF*

MG$*,O"7 . %-. 317) $) *-. *!$0%-3%$)*3, 0G*3". 0-0%0*"(*0$37!-%&$ #"0 -%0*, .)* (, O-1&0$1(-07((-3-$.3 &* $03!"R 0*G$1)*-. *%70%0(*"!*%G$*(7%7!$*5$. $(-%*"(*%$.,. %0:*C!,.%*(7.) 0*!3-4$) *57%*" %&$%*$V#$.)$) :*, .) * 6 " O#, . &*!0!4$0*("! *"#$!,%-". 0*,.) *3,#-%,1*-.4$0%O$.%0U

Note 19 - Model Group acquisition

W. *X ,& *ĀA:*9EAL:* WJ? 6 *3" O#1$%$)*%G$*, 3T7-0-%". *" (*, *C!"7#*" (*$. %-%-$0*#!0. %C*A:@@*7$. %1* 7. -%0(!" O*MG$*X ")$ 1*+ !" 7#:*Y.3S, .) *MX + *Y4$0 %$. %+ !"7# :*DD6 :*%C$*%G$*!$($!!$) *%"* , 0*X ")$ 1S

Note 20 - Subsequent events

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2019 and 2018

!"(! 6)! #)-#R!#)! 8 (-. &.DS)#?!. !# ,0#6-À 0, ! .&R!4#+À6!.)&,À)D#&- +À #)?! # +.&),-À#- 9#)?,0# ,0.+( ),-ÀG#
N?!.!9- .!S#B ?,4!#)?! #3 - 8 (&ÀD#"(! 6)0#)?,0#8 &))! .#6-+ 4 #À! '&),;! 4D#8(&6)#)?!#3 - 8(& ÀD0#9,À&À6,&4#
6-À ,),-ÀS#!0+4)0#9# (! .&),-À0#&À #6&0?#9-4-E0S#)?! # ")!À)# 9#)?! #9,À&À6,&4#8 (&6)#&À # +.&),-À#6&ÀÀ-)#
R!#!& 0-À&R4D#!0), 8&)! #&)#)?,0#),8! G#

ĀÀ#*(.4#2E2ES#%H*J 3#! 6!, ;! #&#%&D4#%.-)!6),-À#%.-'.& 8 #4-&À#,À#)?#&8 -+À)#-9#IS:C$SF2G#

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Supplementary Information

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2019

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2019

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year ended December 31, 2019

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets
Year ended December 31, 2019

	ÃÃ !" ##Ã#!$% &6 !' () (*!*Ã# *%+ %#()										ÃÃ !" ##Ã# $% &( )(* *Ã#*%+ %#()	
	,() *(22%)/				Ã() +() *(22%)/							
	!,(*Ã!- . Ã*" %)! ,(0. ") %Ã#!	1 &(223!-$)Ã'	45	62%0%)%)#	789 ("2	!,(*Ã!- . Ã*" %)! ,(0. ") %Ã#!	45	62%0%)%)#	789 ("2	: ("2	,() *(22%)/	ÃÃ !" ##Ã# :("2
;Ã /%))%)! 9" 2")+Ã<!=) 8" *3!><!?@>A	E!!!!!!!B@?C?<ACD	E!!!!!!!!!FCG<?B@H	E!!!!!!!!I <>>?<?CA	E!!!!FG>DG><@CH	E!!!!!!I G<??<A>J	E!!!!!!!!><C>C<G@	E!!?>C<?DB<C?I	E!!F>G@B<BIBH	E!!!!!?@<A>C<G<AC	E!!?I A<>D@G>G	E!!I<J>@G@	E!!?JD<CI@J<?@
K+L8%#%)!%%M($)Ã *#&%%)Ã*Ã#	!!!!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!>?<G@	!!!!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!>?<G@	!!!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!!!!!!!!!!N	!!!!!!!!!!!!>?<G@	!!!!!!!!!!!!!!N	!!!!!!!!!!!!>?<G@
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6) '%)! 9" 2")+Ã<!OÃÃ0 9Ã*!G><!?@>A	E!!!!!!!A?<BDC<>JI	E!!!!!F>><ABJ<?C@I	E!!!!!!!!I<IGB<D?I	E!!!!FGJ@DI <DCDH	E!!!!!!I @G GBDJ	E!!!!!!!!><I? ?<?AA	E!!?G<B?<@DD	E!!F>G@B<BIBH	E!!!!!?>><JI I<DBI	E!!?J?<@@GG>	E!!I<JG?<J@@	E!!?JC<JD><AG>

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2019

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Ä%+-Ã$%1Ã9!Ã9"1Ã%++"&+	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
T"&Ã%+-Ã5+"1 Ã(>Ã$! ;'1" 1Ã6Ã'(;" +&'()Ã%!;&&'"+	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ä%+-Ã9. 0+Ã9!Ã9'(%(: '()Ã%:&';'&'"+						
3! :" "1 +Ã9!Ã.'("Ã 9Ã:'1'&	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3%/* "(&+Ã(Ã.'(" Ã 9Ã! "1 '&	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3! :" "1 +Ã9!Ã(&" +Ã%(Ã* !&) %) " +Ã$%6."	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3%/* "(&Ã(Ã(&"+Ã%(Ã* !&)%)" +Ã$%6."	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P"9"!!" 1Ã(: * "	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P"6&Ã'++5(%" Ã: +&Ã$%1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4/ (1 ':%&'(Ã%1Ã&%! "1 '&Ã: -&+Ã$'1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
K:V5'+'&' (Ã: +&Ã%(Ã9 +Ã$%Ã%Ã%Ã$ ("(&Ã9Ã("! %.Ã$&("!Ã'V5'&/	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P'+&!'65&(+Ã$%Ã&Ã$%&("! +	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3%!&(!+Ã:%$&%.Ã(&!'65&(+Ã!" : "';" 1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
T"&Ã%+-Ã$! ;'1" 1Ã6Ã=5"1 Ã'(Ã9'(%(:'() Ã%!;&&'"+	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2019

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Financial Position - Core Operating Companies
December 31, 2019

	Ā À ! " Ā#$%Ā	Ā À ! " Ā&&Ā	Ā '( )*+*,-Ā	Ā .-/0/1,*/+1 Ā	Ā 2+*,-Ā
ĀÃ(3341*Ā,554*5					
ĀĀÃ, 56Ā,17Ā8,56Ā49(:, -41*5	AĀĀĀĀĀĀĀĀ =>?<@	AĀĀĀĀĀĀB><?C>;;=	AĀĀĀĀĀĀB>;=D>BE	AĀĀĀĀĀĀĀĀĀĀĀĀ	AĀĀĀĀĀB>;=D>BE
ĀĀĀ45*3/8÷7Ā8,56	ĀĀĀĀĀĀĀ>EE>?DD	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀD>EE>?DD	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>EE>?DD
ĀĀĀ4543:45	ĀĀĀĀĀĀĀ@>@?D>BC	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ@>@?D>BC	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ@>@?D>BC
ĀĀĀ45*3/8÷7Ā34543:45	ĀĀĀĀĀĀĀĀĀ??>C@	ĀĀĀĀĀĀĀĀĀĀ>E<	ĀĀĀĀĀĀĀĀĀ=C>F@	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ=C>F@
ĀĀ88+(1 *5Ā484/:,) -4					
ĀĀĀ,1*5Ā3484/,) -4	ĀĀĀĀĀĀĀĀĀ?F>C<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀ?F>C<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ?F>C<
ĀĀĀĀ3+J43*/45ĀĀ*ĀKĀ,-L+, 184ĀK+7Ā) *K-Ā,88+(1*5	ĀĀĀĀĀĀĀĀ@>@>D@	ĀĀĀĀĀĀĀ>@F@=@	ĀĀĀĀĀĀĀB><;=>EF	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀB><;=>EF
ĀĀĀ4:4-+J0 41*Ā445	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀD<>?;=>=D<	ĀĀĀĀĀĀD<>?;=>=D<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀD<>?;=>=D<
ĀĀĀĀ 643	ĀĀĀĀĀĀĀĀD=@;@?	ĀĀĀĀĀĀĀĀĀ; F>C@	ĀĀĀĀĀĀĀD>D@F<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>D@F<
ĀĀĀ(4ĀK3+0ĀK/-*/45	ĀĀĀĀĀĀĀ>?D>;D@	ĀĀĀĀĀĀĀE>CC>E;	ĀĀĀĀĀĀ<>EE?;<C	ĀĀĀĀND=@?E?=O	ĀĀĀĀĀĀĀFCE>;C?
ĀĀĀ34J,/7Ā4PJ4145	ĀĀĀĀĀĀĀĀĀ=B>;<=	ĀĀĀĀĀĀĀĀĀB<>;E<	ĀĀĀĀĀĀĀD@?E=	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀD@?E=
ĀĀ5+ *4Ā3484/:) -4>Ā8(3341*	ĀĀĀĀĀĀĀ>B@>?C	ĀĀĀĀĀĀĀ>DB>D@	ĀĀĀĀĀĀ@>@?;F;	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ@>@?;F;
ĀĀĀ1*4345ĀĀ1+*45Ā3484/:) -4	ĀĀĀĀĀĀĀĀĀĀC>;?E	ĀĀĀĀĀĀĀ>=E>EB	ĀĀĀĀĀĀC>;FC>=EC	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>;FC>=EC
ĀĀĀ34744-+J0 41*Ā8+5*534/0)(35,)-4>Ā8(3341*	ĀĀĀĀĀĀĀ>CB>FF	ĀĀĀĀĀĀ@>DC>B<	ĀĀĀĀĀĀ?>B=>?F;	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ?>B=>?F;
ĀĀ41, 1*Ā548(3/*Q74J+5/*5	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀD<>@DF	ĀĀĀĀĀĀĀĀĀD<>@DF	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀD<>@DF
Ā2+*,-Ā8(3341*Ā,554*5	ĀĀĀĀĀĀ=>;BF>=?=	ĀĀĀĀĀĀ;>E<?B?;	ĀĀĀĀĀĀ@?=BEFC@	ĀĀĀĀND=@?E?=O	ĀĀĀĀ@EEFF?;
ĀĀ 643Ā,554*5					
ĀĀ5+ *45Ā84/:,) -4>Ā14*ĀK7/58+(*	ĀĀĀĀĀĀ=>D@@BF	ĀĀĀĀĀD=>;F=>C@	ĀĀĀĀĀEB>EF>EB	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀBB>E;F>EB
ĀĀĀ1:45*041*Ā1Ā8+0J,1 /45	ĀĀĀĀĀĀD>BE;>;D<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀD>BE;>;D<	ĀĀĀĀN?DBE;>;D<O	ĀĀĀĀĀĀĀĀĀĀĀĀĀ
ĀĀĀ1:45*041*Ā1ĀJ,3*14356J5	ĀĀĀĀĀĀ;>@F>@DB	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ;>@F>@DB	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ;>@F>@DB
ĀĀĀ34744-+J0 41*Ā8+5*534/0)(35,)-4>Ā14*ĀK8(3341*	ĀĀĀĀĀĀ>@E>FE	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀC>@E>FE	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>@E>FE
ĀĀĀ 643Ā,554*5	ĀĀĀĀĀĀĀĀ= B><F	ĀĀĀĀĀĀĀĀ@?>C?	ĀĀĀĀĀĀD><C>CF	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ><C>CF
Ā2+*,-Ā*643Ā,554*5	ĀĀĀĀĀDD>EB>FB	ĀĀĀĀĀD=>E;C>?D	ĀĀĀĀĀFE>E@>E?@	ĀĀĀĀN?DBE;>;D<O	ĀĀĀĀ?; >B@>D@
ĀĀ/P47Ā,554*5					
ĀĀ8, 17Ā,17Ā)(/-7/1S5	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀ; =>;BC	ĀĀĀĀĀĀĀĀĀ; =>;BC	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ; =>;BC
ĀĀĀ46,)/-/*,*/+1Ā/ĀJ3+S3445	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ>;EC	ĀĀĀĀĀĀĀĀĀĀ>;EC	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀ>;EC
ĀĀĀ(31/*(34Ā49(/J041 *Ā 17Ā-4546+-7Ā/0J3+:4041*5	ĀĀĀĀĀĀĀĀDFB>@@	ĀĀĀĀĀĀĀĀC@<>?;F	ĀĀĀĀĀĀĀĀB=@>F@	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀB=@>F@
ĀĀĀ455TĀ8(0(- , *47Ā74J348/,*/+1	ĀĀĀĀĀĀĀĀNDB>@@	ĀĀĀĀĀĀĀĀNF@>DDO	ĀĀĀĀĀĀĀĀNCE>??O	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀNC=E>??O
Ā2+*,-ĀKP47Ā,554*5	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀEEF>C@	ĀĀĀĀĀĀĀĀEEF>C@	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀEEF>C@
2+*,-Ā,554*5	AĀĀĀĀDFE>;D=><@	AĀĀĀD@=>;; F>B@	AĀĀĀ; =>?E>@@	AĀĀĀF>F@@==O	AĀĀĀD@>BB>=F

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Financial Position - Core Operating Companies
December 31, 2019

	Ā À ! " Ā#$%Ā	Ā À ! " Ā&&%Ā	Ā '( )*+*,-Ā	Ā .-/0/1,*/+1 Ā	Ā 2+*,-Ā
Ā&/,) /-/*/45					
ĀĀ%(3341*Ā-/,-/*/45					
ĀĀĀ8+(1 *5Ā, Q) -4	AĀĀĀĀĀĀĀDB>DB	AĀĀĀĀĀĀĀ@C>EE	AĀĀĀĀĀĀD;><=<	AĀĀĀĀĀĀĀĀĀĀ	AĀĀĀĀĀĀD;><=<
ĀĀĀ83(47 Ā4PJ4545	ĀĀĀĀĀĀĀĀC@;DC	ĀĀĀĀĀĀĀ>EE>=@	ĀĀĀĀĀĀĀ>C@>@?	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>C@@?
ĀĀĀ8+(1 *5Ā, Q) -4ĀGĀ: 4-+J041*	ĀĀĀĀĀĀĀĀĀĀĀĀDC	ĀĀĀĀĀĀĀĀĀĀ>E<	ĀĀĀĀĀĀĀĀĀĀĀ>=DC	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ>=DC
ĀĀĀ83(47 Ā/1*4345*	ĀĀĀĀĀĀĀĀĀĀE>DBB	ĀĀĀĀĀĀĀĀĀ=>;?	ĀĀĀĀĀĀĀĀĀ?>EC<	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ?>EC<
ĀĀĀ&+,1 ĀJ,Q) -4>Ā(3341*	ĀĀĀĀĀĀĀ>??C>ED	ĀĀĀĀĀĀĀ>DB>D=	ĀĀĀĀĀĀĀ>;<B>DC	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>;<B>DC
ĀĀĀ&/14Ā+K347*>Ā8(3341*	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ>EC>E=@	ĀĀĀĀĀĀĀ>EC>E=@	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>EC>E=@
ĀĀĀ4K43347)-/-/*/45>8(3341*	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀDC>FEB	ĀĀĀĀĀĀĀĀĀDC>FEB	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀDC>FEB
ĀĀĀ241, 1*548(3/*Q74J+5/*	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀD<>@<<	ĀĀĀĀĀĀĀĀĀD<>@<<	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀD<>@<<
ĀĀĀ(4Ā*+ĀK/,*45	ĀĀĀĀĀĀĀE>BD>D=	ĀĀĀĀĀĀĀ>;DF>=E	ĀĀĀĀĀĀD>FF@E=E	ĀĀĀĀND=@?E?=O	ĀĀĀĀĀĀĀB?E><DF
ĀĀ2+*,-Ā8(3341*Ā-/,/*/45	ĀĀĀĀĀĀ?>=@><@E	ĀĀĀĀĀĀ;AB@>D<C	ĀĀĀĀĀĀ@FD@D?F	ĀĀĀĀND=@?E?=O	ĀĀĀĀĀB>B@;DE@
ĀĀ&+1SG*430Ā) /-/*/45					
ĀĀĀ&+,1 5Ā,17Ā1*45ĀJ,Q) -4>Ā4*Ā+KĀ8(3341*	ĀĀĀĀĀĀĀE>D@>C@	ĀĀĀĀĀĀF>FFEC?D	ĀĀĀĀĀĀD>C;<=DF	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀD>C;<=DF
ĀĀĀ&/14Ā+K347*Ā14*ĀK3341*	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ;E; >?;?	ĀĀĀĀĀĀĀĀ;E; >?;?	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ;E; >?;?
ĀĀĀ83(47 Ā/1*4345*Ā,JQ-4ĀGĀ*45ĀJ,Q) -4	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀ;E<>D@	ĀĀĀĀĀĀĀĀ;E<>D@	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ;E<>D@
ĀĀĀ4K43347)-/-/*/45>Ā4*Ā+KĀ8(3341*	ĀĀĀĀĀĀĀĀĀF >@=C	ĀĀĀĀĀĀĀĀD=C>;@F	ĀĀĀĀĀĀĀĀF@?>BF@	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀF@?>BF@
ĀĀĀ4K43347&/104	ĀĀĀĀĀĀĀ@>B>CC	ĀĀĀĀĀĀF>D@?D;?	ĀĀĀĀĀĀ=>@@B;E	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ=>@@B;E
ĀĀ2+*,-Ā+1SG*430Ā-/,/*/45	ĀĀĀĀĀĀB>?C@FF=	ĀĀĀĀĀĀ;? >CB>FBF	ĀĀĀĀĀ<>E;C>BE	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ<>E;C>BE
Ā2+*,-Ā/,)/-/*/45	ĀĀĀĀĀĀD>CE>F;?	ĀĀĀĀĀĀB>;<?>CB@	ĀĀĀĀĀF?>DE?CD	ĀĀĀĀND=@?E?=O	ĀĀĀĀD@BD>?B
Ā$4 *Ā554*5					
ĀĀ$4 *Ā554*5ĀL/*6+(*Ā7+1-3Ā45*3/8*/+5Ā8+1*3/+S	ĀĀĀĀĀĀF>=EF>D?@	ĀĀĀĀĀĀD>@@;D<	ĀĀĀĀĀ@B>C@>E@	ĀĀĀĀN?BE;>D<O	ĀĀĀĀĀF;B=>D?@
ĀĀ$4 *Ā554*5ĀL/*6+(*Ā7+1-3Ā45*3/8*/+5Ā1+181*3+/1S	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ>@F>FE	ĀĀĀĀĀĀD>@F>FE	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ>@F>FE
Ā2+*,-Ā14*Ā,554*5ĀL/*6+(*Ā7+1-3Ā45*3/8*/+5	ĀĀĀĀĀĀF>=EF>D?@	ĀĀĀĀĀĀC><=?>D<E	ĀĀĀĀĀ@@>;?>F=B	ĀĀĀĀN?BE;>D<O	ĀĀĀĀĀB>C?EB?B
ĀĀ$4 *Ā554*5ĀL/*6Ā7+13Ā345*3/8*5	ĀĀĀĀĀĀĀ@?CF>?<	ĀĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ@?CF>?<	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀ@?CF>?<
Ā2+*,-Ā14*Ā,554*5	ĀĀĀĀĀĀE;>BFB=?@	ĀĀĀĀĀĀC><=?>D<E	ĀĀĀĀĀ?D>@<;=B	ĀĀĀĀN?BE;>D<O	ĀĀĀĀ<<><F><?B
2+*,-Ā/,)/-/*/45Ā,17Ā14*Ā,554*5	AĀĀĀĀDFE>;D=><D	AĀĀĀĀD@>;; F>B@	AĀĀĀĀ; =>?E>@@	AĀĀĀĀ4F>F@@=O	AĀĀĀĀD@>BB>=F

'44 Ā174J41741*Ā!(7/*+3U5ĀH43*V

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Activities - Core Operating Companies
Year ended December 31, 2019

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - Core Operating Companies
Year ended December 31, 2019

	$4*Ā,554*5Ā/*6+(*Ā7+1-3Ā45*3/8*/+15						$4*Ā,554*5 L/*6Ā7+1+3 345*3/8*/+15	
	%+1*3+-1/S				$+18+1*3+/1S		%+1*3+-1/S	
	Ā !"Ā#$ %	Ā !"Ā&&%	.-/0 /1,*/+15	'()*+*,-	Ā !"Ā&&%	2+*,-	Ā !"Ā#$ %	2+*,-
X4S/11/1SĀ),-, 184>Ā,1(,3QĀD>ĀF<DE	AĀĀĀĀ<>F=F>EB	AĀĀĀ@@@CB>?@<	AĀĀĀ@@B@@C<?	AĀĀĀ<>F=F>EB	AĀĀĀD>=D>@C<	AĀĀĀDEE<>@B<	AĀĀĀ@>?D<C<=	AĀĀĀ=>?<<>;DD
M/5*3/()*/+1Ā+Ā040) 43	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀC>;@B<<O	ĀĀĀĀĀĀ>;@B<<<	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG
M/5*3/()*/+1Ā+Ā1+18+1*3+/1SĀ04 0) 43	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀC=;>E<FO	ĀĀĀĀĀĀĀC=;>E<FO	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀC=;>E<FO
*643Ā86,1 S45Ā1Ā49(/*Q	ĀĀĀĀĀĀĀĀ<@FFC	ĀĀĀĀĀĀ=<@>FFC	ĀĀĀĀĀĀĀ=<@FFCO	ĀĀĀĀĀĀĀ<@FFC	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀ<@FFC	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀ<@FFC
!7[(5*04 1*Ā+K3Ā86,1S4Ā1Ā,88+(1*/1SĀJ3/184	ĀĀĀĀĀĀĀĀ>CBDB;;	ĀĀĀĀĀ>CBDB;;	ĀĀĀĀĀNF>CBB;;O	ĀĀĀĀĀĀ>CBDB;;	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀ>CBDB;;	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀ>CBDB;;
.P8455Ā+ĀK3441(4 Ā+:43Ā4PJ4545Ā*+Ā1+18*3+/1SĀ/1*435	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀ; C>?=D	ĀĀĀĀĀĀĀ; C>?=D	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀ; C>?=D
.P8455Ā+ĀK3441(4 Ā+:43Ā4PJ4545Ā*+Ā%+J0 1Q	ĀĀĀĀĀĀĀ>B=FB;<	ĀĀĀĀĀ>;F?>@EC	ĀĀĀĀĀN?>==D@ECO	ĀĀĀĀĀĀ>@F>B;<	ĀĀĀĀĀĀĀĀĀĀG	ĀĀĀĀĀĀ>@F>B;<	ĀĀĀĀĀĀĀF>FEC	ĀĀĀĀĀ>@BE=C
.17/ 1SĀ),-, 184>ĀM484)4 3ĀCDF>ĀDE	AĀĀĀĀEF>EF>D@	AĀĀĀD>@@C>;D	AĀĀĀ?D>B;E;D<O	AĀĀĀEF>B=>D?@	AĀĀĀD>@FFEE	AĀĀĀEB>C?E>BB	AĀĀĀ@>?CF?<<	AĀĀDĀ<><<F<?B

'44Ā#174J41741*Ā!(7 /*+3Ā5ĀH4J8*

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2019

	ĀÄ !" #$%	ĀÄ !" #'(	)* +,-, ./	0/121%,1-%	3-, ./
(.45 #6/7 4#8 2 #-9: 8.,1%# &,1<,1:4					
0=&: 44#-6#8<:%*: #-<: 8#=9: %44 #	B######>"?>?"@@A	B#####@CDC"EF?	B######DF"GCG"CA@	B#####F"@DG>AI	B######>"@A"???
J K4,2 : %4#- #8:&%&1/:#=&: 44#-6#8<:%*: #-<: 8#=9: %44 #,-#					
%:,#&4 5#98-<1J:J#+L#-9: 8.,1%# &,1<,1:4					
H'- 44I#M.1%%#1%4 ,2 :%,#1#9. 8,%84519	################H	################N	################N	################H	################H
$%: 4,2 : %#1& 2 :	#######HF"OC"@FI	################N	#######HF"OC"@FI	#######F"@@D"G>A	#########F>C"@>@
P:9 8&1.,1-%# =9:%4:	#############?"ACD	#########DAG"OCG	##########D?C"DOF	################H	#########D?C"DOF
2 -8,1Q,1-%#-6#J+ ,#144*%&: #&4,4	###########DF"FOF	############G>CC	############EE"FFF	################H	############EE"FFF
'- 44#-%#J149 4./#-6#61=J# 44: ,4	################H	################N	################N	################H	################H
P:6: 88:J#1%&-2 :	################H	#########HOE@AG>I	#########HOE@AG>I	################H	#########HD@"AG>I
(5. %; : 4#1%					
&&-* %,4#8&: 1<+ /:	##########HAE>OCI	#######D"D@D"D@DI	########HD"ED"DFFI	################H	#######HD"ED"DFFI
Ā8:9. 1J#=9:% 4: 4#.%J# ,5: 8#44: ,4	#########HDG"OGCI	#########HD?A"A?EI	##########HE>O"D>EI	################H	##########HE>O"D>EI
Ā8:J: <:/- 92 :%,#&4 ,4#812 +* 84.+/:	########?"@@D"C>F	#######G"DAA"?CCI	##########HAE"AC?I	################H	##########HAFE"AC?I
&&-* %,4#9 L.+/: #.%J#.&&8*:J# =9:%4: 4#	#########HDF">>AI	#######D"EAA"?@E	#########D"CFO"?@>	################H	########D"CFO"?@>
Ā8:9. 1J#%J#J: 6:8&J #8:<%*: 4	#######A"G>G"D??	#############"EG>	########A"FC?"?CA	################H	########A"FC?"?CA
3: % %#4& *81,#J: 9- 4,14	################H	###########DC"GCC	###########DC"GCC	################H	###########DC"GCC
P*: #,-#.661/14,"#%	########?"AAE"@A	#######?"DD?"E@I	###########EDO"?GG	################H	##########EDO"?GG
R:, #&. 45#98-<1J:J#+L#H*4J#1%I#9: 8.,1%# &,1<,1:4	######DG@D"DC@	#######A"OAF"D>OI	########DE"@?">C>	################H	######DE"@?">C>
(.45 #6/7 4#8 2 #1%4 ,1%# &,1<,1:4					
04&8-7 #J: 9- 4,14#.%J#8:4,81&J#8:4: 8<4 "#%	################H	##########?>?"GCG	##########?>?"GCG	################H	##########?>?"GCG
J <. %& 4#-%%-,: 4#8&: 1<+ /:#.%J#.&&8*:J#1%8: 4,	######HDD"OO@?ACI	#######?"F@D"OCGI	#######HDFGG>"EAGI	################H	######HDF"GG>"EAGI
S:9 . L2 :%,4# 6#% ,: 4#8:&1<.+ /:#.%J#&&8*:J#1%8: 4,	#######E"@@GDO	#######A"G>F"CAG	#########F"A?A"GGA	################H	#########F"A?A"GGA
P14,81+*1-%4#8&: 1<J #682 #4*+41J18L	#######A"OG"CCC	################N	########A"OG"CCC	#######HA"OG?"CCCI	################H
(-% ,81+*1-%4#,-#98,%845194	#######HA"GD"@AFI	################N	########HA"GD"@AFI	################H	#######HA"GD"@AFI
P14,81+*1-%4#8 2 #98,%845194	##########>D>"E?E	################N	###########>D>"E?E	################H	##########>D>"E?E
(.45 #91J#68#61J# 44: ,4	################H	#########HF@CE>I	#########HF@CE>I	################H	#########HFC@"CE>I
R:, #&. 45#*4: J#1%#%4 ,1%# &,1<,1:4	######H@"?O"?CHI	#######HD"DOE>?I	#######H>"BAF"@CCI	######HA"OG?"CCCI	#####HDE">>C"@CCI
(.45 #6/7 4#8 2 #61%%&1%#.&,1<,1:4					
Ā8-&: :J 4#8 2 #/1%#-6#&:J 1,	################H	#######F"AG@?EF	#########F"AG@?EF	################H	#######F"AG@?EF
Ā. L2 :%,4# %#1%#-6#&:J 1,	################H	#######H?"AG"DCEI	########H?"AG"DCEI	################H	#######H?"AFG"DCEI
Ā8-&: :J 4#8 2 #% :4 #9L.+/:	########A"C@"O?C	#########@?DD"FCC	#######DC"?CG"GEC	################H	#######DC"?CG"GEC
Ā. L2 :%,#-%%-,: 4#9 L.+/:	#######H>"F"CDEI	##########HO"EDAI	########H>"@@"EEGI	################H	#######H>"@@"EEGI
P:6: 88:J#1%&-2 :	################H	#######HD"AGDD@I	#######HD"AGDD@I	################H	#######HD"AOG"DD@I
P:+ ,#144*%&: #&4,4	################H	###########HGF"FF?I	###########HGF"FF?I	################H	###########HGF"FF?I
P14,81+*1-%4#9 1J#,-#2:2 +: 84	################H	#######H?"AE>CEI	#######H?"AE>CEI	########A"OG?"CCC	##########HA@>"OEI
R:, #&. 45#H*4J #1%#98-<1J:J#+L#61%%&1%#.&,1<,1:4	B######HF"EE"D@EI	B######A"F?F"DCO	B######HE">@F"OF?I	B#####A"OG?"CCC	B#######O@@>AF

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2019

	ĀÀ !" #$&%	ĀÀ !" #'(	)* +,-, ./	0/121%,1-%	3-, ./
R:, #1%&8:. 4: #HJ:&8:. 4: I#1%&#45"#&4 5#T *1</: %4"# %J#&4, 81&,J#&4 5	B######D"EDC"GE>	B#######G@@"AO?I	B########FAE"D?G	B#############N	B#######FAE"D?G
(.45 "#&4 5#T *1</: %4"# %J#&4, 81&,:J#&. 45"#+; 1%1%#-6#L:.8	########@O@>"GA>	#######?"FGE"@OA	######DE"GAE"AEE	##############N	######DE"GAE"AEE
(.45 "#&4 5#T *1</: %4"# %J#&4, 81&,:J#&. 45"#:%J#-6#L:.8	B######>"C>C"CFO	B######?"C@?"A>>	B######DA"DF?"?F@	B#############N	B######DA"DF?"?F@
)* 99/:2 :%,. /#J4&/-4*8#- 6#&4 5#6/-7 #.&,14,1:4					
(.45 #91J#68#1%&:4,	B######D"CAO"CD>	B#######D@F"G??	B######D"ED?"GFA	##############N	B######D"ED?"GFA
)&5 :J */: # 6#%&. 45#1%4 ,1%# &,14,1:4					
$%&8:. 4: #1%1%84, # %#% ,: 4#8& 1<. +/:#6-8#.&T* 14,1-%#*%J: 8					
&-2 2 - %#&-%8-/	B##############N	B#######?OA"FED	B########?OA"FED	B#############N	B#######?OA"FED

): :#$%&: 9: %J%,# *J 1,-8U4#S:98,V

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2019

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2019

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - POAH LLC
Year ended December 31, 2019

	Ã !"Ã##$Ã	Ã !"$ Ã	Ã%#"$Ã	Ã& ' (%Ã	Ã)*+, +-./+0-1Ã	Ã %0/.*Ã
ÃG494-24						
ÃÃÃÃG4.*Ã+-70, 4	Ã	Ã	Ã	Ã;:C?	Ã	Ã;:C?
ÃÃÃÃN494!*,0 4-/Ã.-6 Ã0543Ã4Ã3494-24ÃJ30,Ã30I43/41	Ã?BB;F:?	Ã	Ã@;: ??	Ã	Ã	Ã;<B>;C<B
ÃÃÃÃ$.15Ã0KÃ30, Ã30I 43/+4	ÃC@BFC	Ã	Ã	Ã	ÃC=<;E: EM	Ã B?;C:B
ÃÃÃÃÀ3043/FÃ . - . T4, 4-/Ã.-6 Ã34/*4 6ÃJ441	Ã	Ã<C;=<>	Ã	Ã	Ã	Ã<C;=<>
ÃÃÃÃG4++ 231.H*4Ã1.*.3+4Ã.-6Ã4OI4-141	Ã	Ã;<>C;BB=	Ã	Ã	Ã	Ã;<>C;BB=
ÃÃÃÃX.+Ã0-Ã3474+/Ã0Ã, 03/T. T4Ã-0/4	Ã?E;CCF	Ã	Ã	Ã	Ã	Ã ?E;CCF
ÃÃÃÃ0434 1/Ã-70,4	ÃE: ;FE	Ã@	Ã>;: ?B	Ã	Ã	Ã@:: ;>FC
ÃÃÃÃ941/,4 -/Ã -6Ã0543Ã+70, 4	Ã;C>F	Ã@C	Ã	Ã	ÃC@;;E>M	ÃF@M
ÃÃ0% *Ã394-24	ÃF@;=FB	Ã;<CE;BC=	ÃFC;FF=	Ã;: @	Ã=:;C: =M	Ã;= @;B@
ÃÃ)OI4-141						
ÃÃÃÃÀ310--4*	Ã: >;??=	ÃEBB;@EC	Ã	Ã	Ã	Ã;@@>: E
ÃÃÃÃN494!*,0 4-/Ã4OI4-14	Ã?<F;B?@	Ã	Ã=<;E:E	Ã	ÃC>F;E EM	ÃFF<;B?@
ÃÃÃÃÀ30J4+0. *Ã143934+7	ÃB=;CB=	ÃC;EBB	Ã	Ã	Ã	ÃE;?:@
ÃÃÃÃ$0/3+2/+0-1Ã.-6ÃT.-/1Ã,.6 4	Ã@@@	Ã	Ã	Ã	Ã	Ã@@@
ÃÃÃÃG4.*	Ã@C<<	Ã<;FC<	Ã	Ã	Ã	Ã<;?:=
ÃÃÃÃ041Ã.-6Ã+123.- 74	Ã<==	Ã@>	Ã	Ã	Ã	Ã<?:
ÃÃÃÃ8.94*Ã.-6Ã06T+-T	Ã<;<>@	Ã;: ?F	Ã	Ã	Ã	ÃC;BFF
ÃÃÃÃ0434 1/Ã4OI4-14	Ã?;C: F	Ã	Ã	Ã;B>=	Ã	ÃF;?:C
ÃÃÃÃG4++ 231.H*4Ã1.*.3+4Ã.-6Ã4OI4-141	Ã	Ã;<>C;BB=	Ã	Ã	Ã	Ã;<>C;BB=
ÃÃÃÃÀ3043/F0I 43./+01	Ã	Ã	Ã	ÃC;?>F	Ã	ÃC;?>F
ÃÃÃÃJ+74Ã.-6Ã.6, +-+1/3./0-	ÃB;CEE	Ã;?: <	Ã	Ã	Ã	Ã:@;>?F
ÃÃÃÃN4347+./0-Ã- 6Ã., 03/+Y/0-	Ã@>EB	Ã@E	Ã	Ã?: =	Ã	ÃE;??E
ÃÃÃÃZ6Ã4H/Ã4OI4-14	Ã	Ã@;B<:	Ã	Ã	Ã	Ã@;B<:
ÃÃÃÃ(+14*. -4021	Ã?;<EC	ÃC>	Ã	Ã	Ã	ÃB;BF@
ÃÃ0% *Ã4OI4-141	Ã>: F;??:	Ã;<@E;=??	Ã=<;E:E	Ã;=<E	ÃC>F;E EM	Ã;< >;F>B
)O7411Ã0JÃ3494-24Ã0943Ã4OI4-141ÃL4I0-141Ã0943Ã394-24M	ÃFC;E>:	Ã@C<B	Ã>;<:>	ÃE;@EM	ÃE;E>>M	Ã@@<B=
)O7411Ã0JÃ3494-24Ã0943Ã4OI4-141Ã./3+2/. H*4Ã0Ã-0-70-/30*+ TÃ +-/4341/1	Ã	Ã	Ã?:;B FCM	Ã	Ã	Ã?:;B FCM
)O7411Ã0JÃ3494-24Ã0943Ã4OI4-141ÃL4I0-141Ã0943Ã394-24MÃ .// 3+2/. H*4Ã0Ã54Ã$0, I . - R	ÃFC;E>:	Ã@C<B	ÃE;EB?	ÃE;@EM	ÃE;E>>M	Ã?<B;E>:

'44 Ã064I4 -6 4-/Ã!26+031ÃG4I03/W

Preservation of Affordable Housing LLC and Subsidiaries

Consolidating Schedule of Changes in Net Assets - POAH LLC
Year ended December 31, 2019

	$0- /30**+-T						P0- 70- /30**+-T	
	Ā !"Ā# #$	Ā !"$	Ā%#"$	Ā& '(%	)*+, +-. /+0-1	' 2H/0/. *	Ā%#"$	%0/. *
Z. *.- 74Ā /Ā[. -2 .3RĀC;Ā<@C	ĀĀĀĀE;E: =;E@B	ĀĀĀC;>=@;=E@	ĀĀĀĀĀ: C@B<=	ĀĀĀĀĀĀĀ;?<CM	ĀĀĀĀE;<<;<E: M	ĀĀĀE;E: =;E@B	ĀĀĀC;FCF;E:@	ĀĀĀF;<E<;@:B
$0- /3+H/2+0-ĀJ;30Ā/5ĀĀ, 4, H43	ĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀE;@@@	ĀĀĀĀĀĀĀE;@@@M	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ
N+1/3H2/+0-1Ā/0Ā/5ĀĀ, 4, H43	ĀĀĀĀĀ;?E=;@@@M	ĀĀĀĀĀ=@@@@M	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ@@@@@	ĀĀĀĀĀ? E=;@@@M	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀ:;?E=;@@@M
N+1/3H2/+0-1Ā/0Ā-0- 70- /30**+-ĀT, 4, H43Ā	ĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀD	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀF ?;>@<M	ĀĀĀĀ:F?;>@<M
/5 43Ā75- T41Ā+Ā482+R								
$0, , 0- Ā70-/ 30*ĀDĀ+34I/	ĀĀĀĀĀĀ?: ;B<C	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ?;?BE	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀ?;?BEM	ĀĀĀĀĀĀ?:; B<C	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ?:; B<C
$0, , 0- Ā70-/ 30*ĀD3Ā+I7+I.*	ĀĀĀĀĀĀĀC;B@<	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀB;=C<	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀB;=C<M	ĀĀĀĀĀĀ<C;B@<	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ<C;B@<
!6 \21/, 4- /ĀU3Ā75- T4Ā+-Ā77 02- /+-TĀI3+-7+I*4	ĀĀĀĀĀĀ= C;=??	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀD	ĀĀĀĀĀ: =C;=??	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀ:= C;=??
)O7411ĀU0Ā394- 24Ā0943Ā04 -14 1Ā.//3+H/2 H*4Ā /0Ā-0- 70- /30**+-Ā+4/341/	ĀĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀĀĀĀĀĀĀĀD	ĀĀĀĀĀĀĀĀĀĀ	ĀĀĀĀC?: ;BFC	ĀĀĀĀC?: ;BFC
)O7411ĀU0Ā394- 24Ā0943Ā04 -14 1ĀL4I0 -14 1 0943Ā394- 24MĀ/3+H/2 H*4Ā/0Ā$0, I. -R	ĀĀĀĀĀĀFFC;E>:	ĀĀĀĀĀĀ@C<B	ĀĀĀĀĀĀ=E;EB?	ĀĀĀĀĀCEE;@EM	ĀĀĀĀĀĀ=E;E>>M	ĀĀĀĀĀ?<B;E>:	ĀĀĀĀĀĀĀĀĀ	ĀĀĀĀ?<B;E>:
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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - POAH LLC
Year ended December 31, 2019

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); 9711"03"57:7-< 7"0: 75"7; 67- 171"=7;67- 171"0:7 5"57:7- <7>	F ?@AB@CED	F BG@H?	F HD@EH	F =BC@DC>	F =C@CD>	F A@BG@H?
J-:7 1/,7- /"+ 90, 7	=BG@DD>	K	K	K	BG@DD	K
L7 657 9+./+0-".- M". ,0 5/+N+0-"7 ; 67-17	HG@C?	CC@DC	K	HD@OE	K	BEC@OC
,0 5/+N+0-"0 3"M7P/"+11< 97"901/1	C@DG	K	K	K	K	C@DG
L7 3/755M"+-90, 7"	=OAH@ED>	K	K	K	K	=OAH@ED>
$2 .- 871"+-						
990 <- /1"57 97+.P *7	=HI?@HE>	=?AO@IG>	=HOB@OO>	=B@HA>	K	=B@AB@BA>
Ā57M7.7*06, 7- /"901/1"57,P <51 P*7	=C@EE@GG>	K	K	K	K	=C@EE@IG>
Ā576. +M7; 67- 171".- M"0275".117/1	=B@D@C>	=BHA@EA>	K	K	K	=BIE@IEI>
990 <- /1"6. QP *7".- M". 995<7M7; 67- 171"	B@BB@HC	E?@CA?	K	EC@EG	K	B@EE@AH
Ā576. +M57:7- <7". -M"M73755M"+P+/+71	BB@AD	=H@EG>	K	K	K	D@DD
%7-. - /"179<5/+QM7601+/1	K	K	K	BG@CG	K	BG@CG
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$. 12"30 4 1"36, "+-:71/+8 ".9/+:+/+71						
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$. 12"6.+M"05"3 7M".117/1	K	=O@CA>	K	=CD@AH>	K	=?A@HD>
M :.- 971"0-"-0 /71"5797+:. P*7". -M".995<7M"+-/75 71/	=H@GH@B D>	K	=B?D@E?>	K	K	=I@AB@OG
S76. Q 7- /"03-0 /71"5797+:. P*7". -M".995<7M"+-/75 71/	E@EC@HO	K	E?G@OH	K	K	E@DC@EC
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L+1/5+P/+0 "350, "1<P1+M.5Q	IGG@GG	K	K	K	=IGG@GG>	K
R7/"9.1 2"=<17M"+-"650+M7M"PQ0+-:71/+8 ".9/+:+/+71	=IB?@EB>	=O@CA>	BDB@E?	=CAD@AH>	=EAC@GG>	=B@BD@ID>
$. 12"30 4 1"36, "3+ -9+- 8".9/+:+/+71						
Ā50977M1"30, "*+7"03957M	?@EA@I?I	K	K	K	K	?@EA@H?
Ā. Q 7- /1"0-"*+7"03957M	=I@EC@GH>	K	K	K	K	=I@EC@HG>
Ā50977M1"30, "-0 /71"6. QP *7	A@BA@EG	K	K	ED@GG	K	A@BB@CG
Ā. Q 7- /1"0-"-0 /7"6. QP *7	=OH@HE>	K	K	K	K	=OH@HE>
L7 3/755M"+-90, 7	=B@DC@BA>	K	K	K	K	=B@DC@BA>
L7 P/"+11< 97"901/1	=C?@?I>	K	K	K	K	=C?@?I>
$0 -/5+P</+0-"350, ",7, P75	K	K	K	HC@GG	=HC@GG>	K
L+1/5+P/+0 1"/0",7 , P75	=E@OD@GG>	=IGG@GG>	=EAO@DH>	K	IGG@GG	=I@EH@DG>
R7/"9.1 2"650:+M7M"PQ=<17M"+-"3+ -9+- 8".9/+:+/+71	E@EG@?G	=IGG@GG>	=EAO@DH>	IBD@GG	EAC@GG	E@?@GO

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - POAH LLC
Year ended December 31, 2019

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R7/"=M9957.17 >"+-957.17 "+-"9.12@"9.12"2T<+.* 7- /1@@ .- M"571/5+9/71'9.12	=ED@2G>	=BDC@H>	K	B?@HD	K	=CA@EI>
$. 12@"9.12"2T<+.* 7- /1@@- M"571/5+9/71'9.12 @P"78+- +-8"03'C7. 5	E@I?@DG	B@GE@GO	K	K	K	I@?CH@AOE
$. 12@"9.12"2T<+.* 7- /1@@- M"571/5+9/71'9.12 @7"- M"03'C7. 5	F E@IH@IG	F CGO@HB	F K	F B?@HD	F K	F I@AI@EDD
'< 66*7,7 -/. "M+91'01<57"03'9.12"304".9/+:+/+71 $. 12"6.+M"05"+/7571/	F BCI@AO	F K	F K	F HB@A?O	F K	F BA?@IC
'92 7M<"7"03'-0 - 9. 12"+:7 1/+-8". 9/+:/+71 J-957.17 "+-"/7 571/"0- "-0/71"5797+. P"7"305".9T<+1/+0-1 <- M75"90,, 0- "90-/50*	F IOE@HB	F K	F AO@OC?	F K	F =AO@OC>	F IOE@HB

'7 7"J-M767- M7- /" <M+/05"S7605/

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Agency/ (Pass-through Agency)/ Program Title	Federal CFDA Number	Other award Number	Expenditures: From Pass-through Awards	From Direct Awards	Total Expenditures	Passed through to Subrecipients
U.S. Department of Housing and Urban Development						
Home Investment Partnerships Program	14.239					
Passed through City of Framingham		N/A	$ 8,904	$ -	$ 8,904	$ 8,904
Total Home Investment Partnerships Program			8,904	-	8,904	8,904
U.S. Department of the Treasury						
Community Development Financial Institutions Fund						
Capital Magnet Fund	21.011	N/A	-	4,300,000	4,300,000	-
Capital Magnet Fund	21.011	N/A	-	3,373,901	3,373,901	
Total Community Development Financial Institutions Fund			-	7,673,901	7,673,901	-
Corporation for National and Community Service						
Social Innovation Fund						
Passed through Local Initiatives Support Corporation	94.019	N/A	5,533	-	5,533	-
Total Social Innovation Fund			5,533	-	5,533	-
Total			$ 14,437	$ 7,673,901	$ 7,688,338	$ 8,904

See Notes to Schedule of Expenditures of Federal Awards.

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of Preservation of Affordable Housing, Inc. and Subsidiaries under various programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Preservation of Affordable Housing, Inc. and Subsidiaries, it is not intended to and does not present the consolidated financial position, statement of activities, functional expenses, changes in net assets, or cash flows of Preservation of Affordable Housing, Inc. and Subsidiaries.

The accounting policies of Preservation of Affordable Housing, Inc. and Subsidiaries conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Preservation of Affordable Housing, Inc. and Subsidiaries has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

During 2019, there was no non-cash assistance, or federal insurance.

During 2019, program income of $1,000,000 was received in connection with the Capital Magnet Fund. The total Capital Magnet Fund balance included on the schedule of expenditures of federal awards is $7,673,901.

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Consolidated Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preservation of Affordable Housing, Inc. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

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disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2020

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on Compliance for the Major Federal Program

We have audited Preservation of Affordable Housing, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program for the year ended December 31, 2019. Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Preservation of Affordable Housing Inc. and Subsidiaries' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preservation of Affordable Housing Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Preservation of Affordable Housing Inc. and Subsidiaries' compliance.

Opinion on the Major Federal Program

In our opinion, Preservation of Affordable Housing Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of Preservation of Affordable Housing, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Affordable Housing, Inc. and Subsidiaries' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2020

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2019

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, were prepared in accordance with generally accepted accounting principles.

2. No significant deficiencies related to the audit of the consolidated financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.

3. No instances of noncompliance material to the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.

5. The auditor's report on compliance for the major federal award program for Preservation of Affordable Housing, Inc. and Subsidiaries expresses an unmodified opinion on the major federal program.

6. There are no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.

7. The program tested as a major program was: Capital Magnet Fund (CFDA Number 21.011)

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Preservation of Affordable Housing, Inc. and Subsidiaries was determined to be a low-risk auditee.

B. Findings - Consolidated Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Financial Statements (with Supplementary Information) and Independent Auditor's Report And Single Audit Report

December 31, 2018 and 2017

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Accounting • Tax • Advisory

Preservation of Affordable Housing, Inc. and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain Subsidiaries, which statements reflect total assets of $203,927,094 and $169,603,088 as of December 31, 2018 and 2017, respectively, and total revenues of $30,977,795 and 29,587,057, respectively, for the years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiaries, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Preservation of Affordable Housing, Inc. and Subsidiaries as of December 31, 2018 and 2017, and the results of their activities, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2018 supplementary information on pages 34 to 46 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019, on our consideration of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and compliance.

CohnReznick LLP

Boston, Massachusetts
June 30, 2019

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Current assets		
Cash and cash equivalents	$ 34,748,645	$ 29,596,060
Restricted cash	3,913,764	1,232,761
Restricted reserves	1,263,400	803,788
Accounts receivable		
Rental - tenants and subsidy	1,049,755	1,745,031
Grants receivable	207,548	219,231
Properties, net of allowance for doubtful accounts	813,274	21,861
Other	1,598,273	2,203,759
Escrow deposits	79,651,708	76,169,458
Tenant security deposits	3,513,110	3,148,423
Prepaid expenses	1,564,069	1,640,267
Predevelopment costs reimbursable, current	9,042,051	6,836,255
Total current assets	137,365,597	123,616,894
Other assets		
Notes receivable, net of discount	8,256,438	8,407,000
Investment in partnerships	1,366,175	5,000
Predevelopment costs reimbursable, net of current	2,708,599	2,808,892
Other assets	5,743,135	4,282,450
Total other assets	18,074,347	15,503,342
Fixed assets		
Land and buildings	1,026,337,977	929,918,113
Rehabilitation in progress	23,812,001	23,095,661
Furniture, equipment and leasehold improvements	16,454,215	15,029,076
Less: Accumulated depreciation	(188,378,156)	(163,826,938)
Total fixed assets	878,226,037	804,215,912
Total assets	$ 1,033,665,981	$ 943,336,148

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Liabilities		
Current liabilities		
Accounts payable	$ 6,224,240	$ 4,838,688
Accrued expenses	10,048,282	9,257,174
Accounts payable - development	9,026,597	14,475,723
Accrued interest	1,927,656	1,949,636
Mortgages payable - properties, current	29,860,274	8,001,058
Construction loans - properties, current	10,972,702	18,936,392
Loan payable, current	3,566,797	4,611,049
Line of credit, current	1,000,659	1,493,874
Deferred liabilities, current	13,294	6,865
Tenant security deposits	3,305,268	3,006,619
Prepaid revenue	1,181,585	1,216,201
Due to affiliates	321,952	1,102,989
Total current liabilities	77,449,306	68,896,268
Long-term liabilities		
Loans and notes payable, net of current	24,945,757	14,572,254
Line of credit, net of current	838,678	400,000
Accrued interest payable - notes payable	642,295	486,924
Notes payable and accrued interest - properties	218,304,683	157,278,828
Mortgages payable - properties, net of current	436,550,334	450,271,267
Contingent deferred purchase obligation	-	3,528,039
Interest rate swap	845,707	1,156,826
Deferred liabilities, net of current	659,060	39,222
Deferred income	8,679,541	8,420,381
Total long-term liabilities	691,466,055	636,153,741
Total liabilities	768,915,361	705,050,009
Net assets		
Net assets without donor restrictions controlling	53,222,916	32,280,322
Net assets without donor restrictions noncontrolling	205,917,397	200,365,365
Total net assets without donor restrictions	259,140,313	232,645,687
Net assets with donor restrictions	5,610,307	5,640,452
Total net assets	264,750,620	238,286,139
Total liabilities and net assets	$ 1,033,665,981	$ 943,336,148

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
Years ended December 31, 2018 and 2017

	Net assets without donor restrictions	Net assets with donor restrictions	Total 2018	Total 2017
Support and revenue				
Rental income	$ 125,859,929	$ -	$ 125,859,929	$ 115,117,740
Grant income	964,919	441,064	1,405,983	4,623,821
Grant income, capital investments	3,069,394	30,000	3,099,394	12,956,892
Contribution income	4,000	2,250	6,250	25,250
Developer fee revenue	2,398,316	-	2,398,316	2,098,874
State tax credit proceeds	1,012,950	-	1,012,950	3,576,072
Property management and related fees	893,557	-	893,557	30,829
Reimbursable salaries and expenses	625,829	-	625,829	-
Gain on receipt of mortgage note	-	-	-	494,825
Gain on sale	1,539,305	-	1,539,305	-
Interest income	756,831	-	756,831	671,139
Loss on investment in partnership	(112,894)	-	(112,894)	(212,192)
Investment and other income	5,085,116	197,281	5,282,397	6,257,527
	142,097,252	670,595	142,767,847	145,640,777
Net assets released from restrictions	700,740	(700,740)	-	-
Total support and revenue	142,797,992	(30,145)	142,767,847	145,640,777
Expenses				
Personnel	14,365,517	-	14,365,517	12,795,410
Development expense	1,346,330	-	1,346,330	1,246,389
Professional services	1,081,364	-	1,081,364	1,054,254
Contributions and grants made	1,607,261	-	1,607,261	2,059,344
Rental	1,058,967	-	1,058,967	925,178
Taxes and insurance	404,021	-	404,021	364,399
Travel and lodging	893,494	-	893,494	836,469
Interest	1,463,056	-	1,463,056	1,090,527
Reimbursable salaries and expenses	625,829	-	625,829	-
Property operations	78,905,468	-	78,905,468	72,504,501
Property mortgage interest	32,249,737	-	32,249,737	28,522,988
Impairment loss	-	-	-	10,521,964
Office and administration	1,274,768	-	1,274,768	983,903
Depreciation and amortization	23,722,435	-	23,722,435	21,692,534
Community impact	2,590,103	-	2,590,103	2,900,737
Bad debt expense	162,281	-	162,281	36,904
Miscellaneous	136,041	-	136,041	155,325
Total expenses	161,886,672	-	161,886,672	157,690,826
Excess of expenses over revenue	(19,088,680)	(30,145)	(19,118,825)	(12,050,049)
Excess of expenses over revenue attributable to noncontrolling interests	(20,227,002)	-	(20,227,002)	(17,805,470)
Excess of revenue over expenses attributable to the Company	$ 1,138,322	$ (30,145)	$ 1,108,177	$ 5,755,421

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses
Year ended December 31, 2018 (with comparative totals for 2017)

	2018				2017
	Real estate ownership	Management and general	Fundraising	Total	Total
Personnel	$ 13,248,748	$ 1,047,640	$ 69,129	$ 14,365,517	$ 12,795,410
Development expense	1,346,330	-	-	1,346,330	1,246,389
Professional services	1,081,364	-	-	1,081,364	1,054,254
Contributions and grants made	1,607,261	-	-	1,607,261	2,059,344
Rental	972,463	76,897	9,607	1,058,967	925,178
Taxes and insurance	371,018	29,338	3,665	404,021	364,399
Travel and lodging	828,613	64,881	-	893,494	836,469
Interest	1,463,056	-	-	1,463,056	1,090,527
Reimbursable salaries and expenses	625,829	-	-	625,829	-
Property operations	78,905,468	-	-	78,905,468	72,504,501
Property mortgage interest	32,249,737	-	-	32,249,737	28,522,988
Impairment loss	-	-	-	-	10,521,964
Office and administration	1,173,659	89,880	11,229	1,274,768	983,903
Depreciation and amortization	23,722,435	-	-	23,722,435	21,692,534
Community impact	2,528,350	-	61,753	2,590,103	2,900,737
Bad debt expense	162,281	-	-	162,281	36,904
Miscellaneous	124,929	9,879	1,233	136,041	155,325
	$ 160,411,541	$ 1,318,515	$ 156,616	$ 161,886,672	$ 157,690,826

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
Years ended December 31, 2018 and 2017

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2017	$ 29,333,083	$ 193,483,599	$ 222,816,682	$ 1,246,899	$ 224,063,581
Increase due to purchase of noncontrolling interests	199,858	-	199,858	-	199,858
Capital contributions from noncontrolling interests	-	26,333,518	26,333,518	-	26,333,518
Distributions to noncontrolling interests	-	(180,769)	(180,769)	-	(180,769)
Noncontrolling interests' syndication costs	-	(80,000)	(80,000)	-	(80,000)
Other changes in equity	1,385,513	(1,385,513)	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	(17,805,470)	(17,805,470)	-	(17,805,470)
Excess of revenue over expenses attributable to the Company	1,361,868	-	1,361,868	4,393,553	5,755,421
Ending balance, December 31, 2017	32,280,322	200,365,365	232,645,687	5,640,452	238,286,139
Acquisition of ownership interest	7,439,625	-	7,439,625	-	7,439,625
Transfer of limited partnership interest to noncontrolling	12,364,647	(12,364,647)	-	-	-
Capital contributions from noncontrolling interests	-	38,532,514	38,532,514	-	38,532,514
Distributions to noncontrolling interests	-	(388,833)	(388,833)	-	(388,833)
Excess of expenses over revenue attributable to noncontrolling interests	-	(20,227,002)	(20,227,002)	-	(20,227,002)
Excess of revenue over expenses attributable to the Company	1,138,322	-	1,138,322	(30,145)	1,108,177
Ending balance, December 31, 2018	$ 53,222,916	$ 205,917,397	$ 259,140,313	$ 5,610,307	$ 264,750,620

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Excess of expenses over revenue	$ (19,118,825)	$ (12,050,049)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities		
Loss on investment in partnership	(1,555,718)	(44,222)
Depreciation and amortization	25,235,671	23,110,060
Effective interest adjustment	1,020,665	1,554,673
Change in fair market value of interest rate swaps	(311,119)	(405,559)
Loss on sale of properties	(342,554)	(4,722)
Impairment loss	-	10,521,964
Forgiveness of debt	(574,311)	(574,311)
Deferred income	(1,207,950)	(3,576,072)
Changes in		
Accounts receivable	92,158	1,396,637
Prepaid expenses and other assets	437,224	(496,358)
Predevelopment costs reimbursable	(2,105,503)	(4,635,065)
Accounts payable and accrued expenses	2,981,100	924,123
Prepaid and deferred revenues	2,053,949	(339,270)
Tenant security deposits, net	(66,038)	30,793
Due to affiliates, net	(97,305)	(588,952)
Net cash provided by operating activities	6,441,444	14,823,670
Cash flows from investing activities		
Escrow deposits and restricted reserves, net	8,242,534	10,801,836
Investment in partnership	-	(5,000)
Purchase of management contracts	(213,014)	-
Cash paid for fixed assets	(108,615,241)	(46,937,128)
Net cash used in investing activities	(100,585,721)	(36,140,292)
Cash flows from financing activities		
Proceeds from line of credit	7,352,798	1,493,874
Payments on line of credit	(5,855,208)	(294,181)
Proceeds from notes and mortgages payable	83,396,046	44,674,690
Payment on notes and mortgages payable	(15,893,783)	(46,135,386)
Deferred income	(546,170)	(1,642,866)
Proceeds from contingent deferred purchase obligation	(3,528,039)	-
Debt issuance costs paid	(744,963)	(791,831)
Syndication costs and tax credit fees paid paid	(346,497)	(609,544)
Distributions paid to minority partners	(388,833)	(180,769)
Minority partners' capital contributions received	38,532,514	26,333,518
Net cash provided by financing activities	101,977,865	22,847,505

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2018 and 2017

	2018	2017
Net increase in cash and cash equivalents	$ 7,833,588	$ 1,530,883
Cash and cash equivalents, beginning of year	30,828,821	29,297,938
Cash and cash equivalents, end of year	$ 38,662,409	$ 30,828,821
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 27,625,575	$ 27,224,301
Schedule of noncash investing activities		
Fixed asset costs incurred	$ 105,525,110	$ 62,179,862
Fixed assets assets sold in connection with common control transaction	(2,389,588)	(12,670,474)
Accounts payable - development, beginning of year	14,475,256	11,902,995
Accounts payable - development, end of year	(8,995,537)	(14,475,256)
Cash paid for fixed assets	$ 108,615,241	$ 46,937,128
Deferred liability included in residual receipts escrow	$ 3,178	$ 204
Contribution of notes receivable	$ -	$ 4,990,360
Increase from purchase in non-controlling interest	$ -	$ 199,858
Schedule of noncash financing activities		
(Decrease) increase in liabilities due to interest rate swap	$ (311,119)	$ 405,559
Assignment of notes payable and related accrued interest	$ 2,138,106	$ -

See Notes to Consolidated Financial Statements.

Note 1 - Organization

Preservation of Affordable Housing, Inc., ("POAH" or the "Company") was created to do exactly what its name suggests, preserve affordable housing stock. The Company is dedicated to the acquisition of and long-term ownership and operation of affordable housing properties.

The Company conducts its development and property management business through Preservation of Affordable Housing LLC ("POAH LLC") and its wholly owned subsidiary, POAH Communities, LLC ("POAHC LLC"). The Company is located in Boston, Massachusetts, Kansas City, Missouri, Chicago, Illinois and Washington, DC.

At December 31, 2018, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 118 entities that own, in the aggregate 10,451 units of affordable housing. POAH LLC is the managing member of POAH/Trinity Loan Holding Company, LLC (“PTLHC”) and the sole member of POAH Woodlawn Station Master Tenant, LLC (“PWSMT”). At December 31, 2017, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 101 entities that own, in the aggregate 9,307 units of affordable housing.

Note 2 - Summary of significant accounting policies

Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the Company and its core operating subsidiaries, POAH LLC, POAHC LLC, PTLHC, and PWSML. The statements include those 37 entities in which the Company has a 100% ownership interest. Additionally, in accordance with ASC-810-20, "Control of Partnership and Similar Entities", as described below, the statements include the assets, liabilities, net assets and financial activities of 67 entities in which POAH or affiliates serve as General Partner or Managing Member.

The accompanying 2018 and 2017 consolidated financial statements include the assets, liabilities, equity and financial activities of those limited partnerships and limited liability companies where the Company generally owns a .01 - 1% general partner or managing member interest and represent all properties in which POAH or affiliates act as general partner or managing member and in which third party investors have substantial economic interests. All significant inter-company balances and transactions between the Company and the entities have been eliminated in consolidation. Net assets without donor restricted noncontrolling on the accompanying consolidated financial statements reflects the proportional share of equity and operations that is not attributable to the Company's interest in these entities. The limited partnerships and limited liability companies are detailed in note 15.

Net asset classification

The Company reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions. They are described as follows:

Net assets without donor restrictions - net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions.

Net Assets with donor restrictions - net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Adoption of new accounting pronouncements
During the year ended December 31, 2018, the Company has adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net assets used in these consolidated financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions, and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. The adoption of this ASU did not impact the Company's net assets balance or changes in net assets for the years ended December 31, 2018 and 2017.

Cash and cash equivalents
The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Depreciation
Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated asset lives. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the permanent mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense on the consolidated statement of activities and is computed using an imputed interest rate on the related loan.

Tax credit and in-place leases
Tax credit compliance monitoring fees are costs related to obtaining low-income housing tax credits, which are being amortized over the mandatory 15-year compliance period. In-place leases are amortized over one year. Unamortized tax credit fees and in-place leases are included in other assets on the consolidated statement of financial position. Amortization expense for the years ended December 31, 2018 and 2017 totaled $468,939 and $446,965, respectively, and accumulated amortization totaled $3,214,143 and $2,997,470, respectively.

Estimated amortization expense for each of the ensuing five years through December 31, 2023 is as follows:

Years	Wholly Owned (1)	LP (2)	Total
2019	$ 7,259	$ 289,365	$ 296,624
2020	7,259	284,141	291,400
2021	7,259	281,603	288,862
2022	7,259	281,313	288,572
2023	7,259	273,554	280,813

(1) Entities wholly-owned by POAH
(2) Entities controlled by POAH or subsidiaries

Accounts receivable
Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Grants receivable
Grants receivable represents costs incurred on cost reimbursable grants that will be billed after December 31, 2018. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2018, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Contribution revenue
In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

Predevelopment costs
The Company carries all third party costs associated with the potential acquisition of investment properties as predevelopment costs reimbursable. Costs associated with potential acquisitions that are not deemed probable to be recovered are expensed.

Noncontrolling interests
The Company purchased Housing Investments, Inc's ("HII") noncontrolling 50% share of POAH LLC on January 12, 2012 (see Note 18). At both December 31, 2018 and 2017, eliminations related to the noncontrolling interests total ($13,048,858). Noncontrolling interest in POAH LLC represents the proportional share of equity and operations of PTHLC that is not attributable to POAH LLC's interest in the entity. At December 31, 2018 and 2017, the noncontrolling member's interest totals $1,717,530 and $1,921,670, respectively. Noncontrolling interest in the project limited partnerships and limited liability companies represents various investor limited partners and members proportionate share of equity in the project limited partnerships and limited liability companies. At December 31, 2018 and 2017, the noncontrolling partners'/members' interest in the project limited partnerships and limited liability companies were approximately 99.99% and total $217,248,725 and $211,492,553, respectively. Income is allocated to noncontrolling interest based on the noncontrolling partners'/members' ownership.

Investments in partnership
POAH and POAH LLC's investments in limited partnerships are accounted for under the equity method of accounting as POAH LLC does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for POAH LLC's share of undistributed earnings or losses.

Tax status
The Company is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and did not have any unrelated business income for the years ended December 31, 2018 and 2017. No provision or benefit for income taxes has been included in these consolidated financial statements for POAH LLC, POAHC LLC, PTLHC LLC, PWSML, and the entities controlled by POAH or an affiliate since the limited liability companies are either disregarded entities of POAH and thus POAH is treated for tax purposes as having earned all of the income and incurred all of the losses directly of those limited liability companies, or the limited liabilities companies are treated as partnerships and thus all of their net taxable profit or loss is passed through to the partners, including POAH. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses
The costs of program and supporting service activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are tracked using direct identification methodology of charging specific expenses as either program, management and general, or fundraising. The financial statement reports certain categories of expense that are attributable to one or more programs or supporting functions. Those expenses have been allocated based on estimates of time and effort.

Accounting for the impairment of long-lived assets
The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended December 31, 2018. During the year ended December 31, 2017, an impairment loss was recorded on one property in the amount of $10,521,964.

Developer fee revenue
Development fees are recognized as revenue when amounts are earned according to the development services agreements and in accordance with ASC-360-20, "Real Estate Sales." Amounts receivable from surplus cash of the properties are not recorded until such time as there is available surplus cash.

Other fee revenue from properties
Other fees from properties are earned in accordance with property partnership agreements. Fees payable from surplus cash of the properties are recorded at such time as there is available surplus cash. These fees earned from consolidated properties are eliminated in consolidation.

Property management fees
Property management fees are recognized as revenue when amounts are earned according to the management agreements. Fees earned from consolidated properties are eliminated in consolidation.

Rental income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

State credit proceeds
State credit proceeds are recognized as revenue over one to five years, the period that the state tax credit is recognized by the investor.

Derivatives
Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Effective January 1, 2010, this guidance was codified into ASC-815-10 "Derivatives and Hedging." The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value.

Fair value measurement
The Financial Accounting Standards Board's ("FASB") guidance on fair value measurements requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. FASB's guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Fair value is the price the Partnership would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Partnership's market assumptions. Preference is given to observable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. FASB's guidance requires the use of observable data if such data is available without undue costs and effort.

The fair value hierarchy under the guidance is as follows:

- Level 1 - quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 – prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Reclassifications
Certain items from the prior year financial statements have been reclassified to conform to the current year presentation.

Note 3 - Liquidity and availability

Financial assets available for general expenditure within one year consist of the following:

	Consolidated	Core Operating Companies
Cash and cash equivalents	$ 38,662,409	$ 11,770,327
Grants and pledges receivable	207,548	207,548
Accounts receivable	3,461,302	4,097,442
Development fee receivable - affiliates	-	10,520,310
Undrawn lines of credit	4,861,030	4,861,030
Total financial assets	42,331,259	31,456,657
Less amounts not available to be used within one year		
Amounts restricted by donor with time or purpose restrictions	(4,121,312)	(4,121,312)
Financial assets available to meet general expenditures over the next twelve months	$ 38,209,947	$ 27,335,345

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Organization has various sources of liquidity at its disposal including cash, a steady revenue stream from its developer fees, notes receivable, rental income, and various annual service fees.

Note 4 - Notes receivable

The Company, as the sponsor of the entities that own the affordable housing developments, holds various notes receivable from the entities. Certain notes were contributed to the Company by the Department of Housing and Urban Development ("HUD") in connection with Mark-to-Market restructuring. The notes bear interest at various rates, are generally secured but subordinate to the first mortgages on the properties and are payable from available cash flow. The notes, at the time of receipt by the Company, were recorded at a discount rate reflecting the present value of future projected cash flows. The discount rate was 17% for notes received prior to 2005 and 20% for notes received thereafter. The interest income that is received by the Company is recorded based on the amortization schedules at the discounted note values. Payments received in excess of the amortization schedules are recorded to income in the year of the excess payment.

Other loans have been originated by the Company and were funded by reserves or represent seller financing provided to the affordable housing development.

A summary of the notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2018	Balance at December 31, 2017
Mark-to-market loans, bearing interest from 1% to 5.5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2034, net of discount of $21,471,914, respectively.	$ 4,770,637	$ 4,770,637
Resale loans, bearing interest from 2.64% to 12%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061, net of allowance of $2,067,168, respectively.	51,496,862	52,908,670
Reserve loans, bearing interest from 0% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058, net of allowance of $1,106,884, respectively.	22,999,301	23,153,227
State tax credit loans, bearing interest from 0% to 4%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	25,306,566	24,570,566
Grant fund loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061.	21,545,686	21,271,951
Deferred developer fee loans, bearing interest from 2.62% to 5.09%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055, net of allowance of $270,000 and $0, respectively.	555,000	555,000

		Balance at December 31, 2018	Balance at December 31, 2017
Other loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057, net of allowance of $149,334 and $0, respectively.		21,546,136	19,748,568
Seller loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.		6,560,028	6,860,754
Accrued interest		2,043,160	3,377,881
		156,823,376	157,217,254
	Eliminated in consolidation	(148,566,938)	(148,810,254)
		$ 8,256,438	$ 8,407,000

The Company only records accrued interest receivable to the extent that payment is expected from the properties from available surplus cash. Interest of $24,613,765 and $18,847,884 for 2018 and 2017, respectively, has not been recorded in these financial statements because no assurance can be made that it will be paid.

Gains from the excess payments over the loan principal and accretion of market discounts is $578,976 and $578,908, respectively, for the years ended December 31, 2018 and 2017. The effects of these transactions have been eliminated in consolidation each year.

In 2014 a change was implemented relating to properties purchased and controlled by entities wholly owned by the Company and subsequently sold to limited partnerships ("LP's") where the Company retains a general partner or controlling interest. Under common control accounting guidance, the acquired assets on the acquiring entity's books are recorded at the net book value as reflected on the selling entity's books at the date of the acquisition and not at the fair value as determined by an appraisal. The net book value is typically less than the fair value purchase price of the acquired assets.

In prior years the fair value gain on sale was recognized by the Company or POAH LLC as a seller note receivable and related deferred gain. The change in guidance, effective for the year ending December 31, 2014, precludes recording these notes and deferred gain on the Company's consolidated statement of financial position or POAH LLC's balance sheet.

During 2018 and 2017, notes receivable totaling $17,005,280 and $17,090,405, respectively, are assets of POAH LLC and PTLHC, however they are not reflected as a component of notes receivable on the consolidated statement of financial position because they represent notes receivable related to acquisitions under common control. POAH LLC and PTLHC records cash payments on such notes receivable and interest income as a component of equity. At December 31, 2018 and 2017, interest income in the amount of $486,548 and $92,838, respectively, is recorded as a component of equity. At December 31, 2018 and 2017, principal payments in the amount of $85,125 and $17,932, respectively, is recorded as a component of equity and is eliminated in consolidation.

A summary of these common control notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2018	Balance at December 31, 2017
Resale loans, bearing interest from 1.95% to 7%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058.	$ 16,230,288	16,315,413
Reserve loans, bearing interest from 3.2% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055.	774,992	774,992
Accrued interest	177,977	46,103
	17,183,257	17,136,508
Common control assets not recorded	(17,005,280)	(17,090,405)
Eliminated in consolidation	(177,977)	(46,103)
	$ -	$ -

Note 5 - Loans and notes payable

Calvert Social Investment Foundation
In December 2015, the Company entered into a loan commitment for $8,000,000 with Calvert Social Investment Foundation for the purpose of furthering its activities as a non-profit organization engaged in community economic development. Interest accrues at the rate of 4.5% per annum. Payments of interest are due quarterly in arrears with the first principal payment with any accrued and unpaid interest due July 31, 2018 and the second principal payment with any accrued and unpaid interest due December 31, 2022. In June 2018, the maturity of the first principal payment was extended to July 31, 2019. At December 31, 2018 and 2017 the outstanding principal balance is $8,000,000, respectively. Accrued and unpaid interest at December 31, 2018 and 2017 is $0.

Local Initiatives Support Corporation ("LISC")
In July 2012, the Company entered into a $5,000,000 line of credit (loan) with LISC for the purpose of funding predevelopment costs. The line is collateralized by the mortgage note receivable from Hawthorne. Interest accrues at the rate of 6% per annum and is due monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project at the earliest to occur of closing of construction financing, refinancing, the eighteen month anniversary following disbursement of funds or the maturity date of October 2017. In May 2017, the line was increased to $6,500,000 and the maturity date was extended to October 2022. At December 31, 2018 and 2017 the outstanding principal balance is $4,499,633 and $2,247,506, respectively. Accrued and unpaid interest at December 31, 2018 and 2017 is $0.

Life Insurance Community Investment Initiative, LLC
In May 2014, the Company entered into a $1,500,000 revolving line of credit with Life Insurance Community Investment Initiative, LLC for the purpose of funding predevelopment costs for properties in Massachusetts. Interest accrues at 6.5% and is due quarterly. Payments of principal are due at the closing of the acquisition of the properties. All unpaid principal and accrued interest was due on the maturity date May 29, 2019. Disbursements that are repaid can be reborrowed, assuming loan

criteria are met. The line is collateralized by the mortgage note receivable from Fairweather. In June 2019, the line was reduced to $1,000,000 and the maturity date was extended to May 29, 2024 and the interest rate was reduced to 5.5%. At December 31, 2018 and 2017 the outstanding principal balance is $300,000 and $1,000,000, respectively. Accrued and unpaid interest at December 31, 2018 and 2017 is $4,875 and $0, respectively.

Low Income Investment Fund
In June 2015, the Company entered into a $5,000,000 loan commitment with Low Income Investment Fund ("LIIF") for the purpose of funding predevelopment costs. The loan is collateralized by the mortgage note receivable from Blackstone. Interest accrues at the rate equal to the greater of the 5-year United States Treasury Rate plus 500 basis points or 6.25% per annum. Payments of interest are due monthly and payments of principal and unpaid interest are due at the earlier of the closing and funding of any construction or permanent financing of the project loan or five year anniversary of the first day of the first full month following the closing date. At December 31, 2018 and 2017 the outstanding principal balance is $3,736,675 and $1,141,592, respectively. Accrued and unpaid interest at December 31, 2018 and 2017 is $0.

Boston Private Bank & Trust Company
In June 2018, the Company entered into a $5,000,000 loan commitment with Boston Private Bank & Trust Company. The loan is collateralized by the mortgage note receivable from Kenmore. The loan bears interest at 4.97%, requires monthly principal and interest payments on a fifteen year amortization, has a ten year term and matures on June 1, 2028. At December 31, 2018 the outstanding principal balance is $4,916,378 and accrued interest is $0.

The Model Group
On May 31, 2018, POAH INC entered into a $1,050,000 loan agreement with The Model Group for the purpose of funding the purchase of general partner interests in 18 properties and management contracts (see note 19). Interest accrues at 2.18%. Annual payments of $350,000 of principal and accrued interest shall be made each May 31st through maturity, May 31, 2021. At December 31, 2018 the outstanding principal balance is $1,050,000 and accrued interest is $13,353.

Boston Community Loan Fund, Inc.
In December 2014, POAH LLC entered into a $2,000,000 line of credit agreement with Boston Community Loan Fund, Inc. for the purpose of funding energy conservation improvements. Interest accrues at 5% and is payable monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project five years after the issuance of a term note. Funds can be drawn until February 28, 2017. At December 31, 2018 and 2017, the outstanding principal balance is $106,967 and $327,401, respectively. Accrued interest at December 31, 2018 and 2017 is $0.

Annual maturities of debt for the ensuing five years as of December 31, 2018 are summarized as follows:

	INC	LLC	Total
2019	$ 584,451	$ 83,213	$ 667,664
2020	595,876	23,754	619,630
2021	609,221	-	609,221
2022	272,589	-	272,589
2023	286,647	-	286,647

Life Initiative
In July 2015, POAH LLC entered into a $2,407,000 loan agreement with Life Insurance Community Investment Initiative, LLC for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 7% compounded annually. Payments of principal and accrued interest are due annually in the amount of 80% of deferred development fee payments received from Briston Arms. All unpaid principal and accrued interest is due on the maturity date of July 6, 2023. The loan proceeds have been loaned to Briston Arms. At December 31, 2018 and 2017, the outstanding principal is $1,454,980 and $2,407,000 and accrued interest is $0 and $247,191, respectively.

Cambridge Affordable Housing Trust
In July 2015, POAH LLC entered into a $2,400,000 loan agreement with Cambridge Affordable Housing Trust for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 4% per annum. Payments of principal and accrued interest are due annually in an amount equal to the EV Income Payments as defined in the agreement. After full repayment of the Life Initiatives note, all unpaid principal and accrued interest is due on the maturity date of June 30, 2035. The loan proceeds have been loaned to Briston Arms. At December 31, 2018 and 2017, the outstanding principal is $2,400,000 and accrued interest is $335,733 and $239,733, respectively.

Ohio Housing Finance Agency
In May 2018, various notes payable were assigned to POAH LLC as part of a portfolio acquisition. The six notes, totaling $1,857,996, with the Ohio Housing Finance Agency ("OHFA") were funded from Housing Development Assistance Program ("HDAP") funds for the purpose of funding development costs for various properties in Cincinnati, OH. Interest accrues ranging from 4.52% to 7.75% per annum. Payments of principal and accrued interest are due annually in an amount equal to payments of 50% of the cash flow, as defined in the agreement, from the respective properties. At December 31, 2018, the outstanding principal is $1,831,544 and accrued interest is $306,562.

Chicago Community Loan Fund
In December 2017, PWSMT entered into a $350,000 loan agreement with Chicago Community Loan Fund for the purpose of funding retail development costs at Woodlawn Station, a property in Chicago, IL, being developed by POAH LLC. Interest accrues at 5% per annum. Payments of interest only are due monthly. All unpaid principal and accrued interest is due on the maturity date of December 1, 2025. In September 2018, the loan was increased to $700,000. During 2018 and 2017, interest expense of $1,135 and $0, respectively, was included in interest expense on the consolidated income statements. At December 31, 2018 and 2017, the outstanding principal is $298,264 and $0, respectively, and accrued interest is $896 and $0, respectively.

Debt issuance costs
As of December 31, 2018, unamortized debt issuance costs related to the loans of $81,887 consist of financing costs of $116,666 less accumulated amortization of $34,779. As of December 31, 2017, unamortized debt issuance costs related to the loans of $67,949 consist of financing costs of $240,660 less accumulated amortization of $172,711. For the years ended December 31, 2018 and 2017, $15,228 and $21,750 of amortization was incurred and is included in interest expense on the consolidated statements of activities.

Loan balances
The balances as included in the accompanying consolidated statement of financial position as of December 31, 2018 and 2017 are summarized as follows:

Lender	Current Portion	Long-term Portion	Total Balance at December 31, 2018	Current Portion	Long-term Portion	Total Balance at December 31, 2017
LISC	$ 2,899,133	$ 1,600,500	$ 4,499,633	$ 1,957,006	$ 290,500	$ 2,247,506
Life Initiative	-	300,000	300,000	700,000	300,000	1,000,000
Calvert	-	8,000,000	8,000,000	-	8,000,000	8,000,000
LIIF	-	3,736,675	3,736,675	-	1,141,592	1,141,592
Boston Private	234,451	4,681,927	4,916,378	-	-	-
The Model Group	350,000	700,000	1,050,000	-	-	-
BCLF - LLC	83,213	23,754	106,967	226,290	101,111	327,401
Life Initiative - LLC	-	1,454,980	1,454,980	-	2,407,000	2,407,000
CAHT - LLC	-	2,400,000	2,400,000	-	2,400,000	2,400,000
OHFA - LLC	-	1,831,544	1,831,544	-	-	-
CCLF - PWSMT	-	298,264	298,264	-	-	-
HII (1)	-	-	-	1,727,753	-	1,727,753
Unamortized	-	(81,887)	(81,887)	-	(67,949)	(67,949)
	$ 3,566,797	$ 24,945,757	$ 28,512,554	$ 4,611,049	$ 14,572,254	$ 19,183,303

(1) See Note 18

Note 6 - Line of credit - Boston Private Bank

In January 2013, POAH LLC entered an agreement for a revolving demand line of credit note with Boston Private Bank & Trust Company. The line of credit is not to exceed $1,500,000 and matured on January 16, 2017. The line was increased to $3,500,000 in February 2016 and the maturity date was extended to January 16, 2019. In 2017, the maturity date was further extended to May 8, 2019. In April 2019, the line was increased to $6,500,000, the maturity date was extended to March 29, 2022 and Eastern Bank was added as a participant in the line. The note accrues interest equal to the Prime Rate with a floor of 3.25% (5.50% and 4.50% at December 31, 2018 and 2017, respectively) and is payable monthly. The line is collateralized by the mortgage notes receivable from Bridle Path, Chestnut Gardens, Dom Narodowy and Eastgate. During 2018 and 2017, interest expense of $79,010 and $29,269, respectively, was recorded on the consolidated statements of activities. At December 31, 2018 and 2017, $1,839,337 and $1,893,874, respectively, are outstanding on the line. Accrued and unpaid interest at December 31, 2018 and 2017 is $10,268 and $7,357, respectively.

Note 7 - Mortgages payable - properties

The Company receives financing for the affordable housing properties from various federal, state and local agencies and financial institutions. These loans are nonrecourse to the Company and are secured by mortgages on the properties. Some of the mortgages also require monthly remittances for escrows and reserves.

The entities in which the Company owns a general partner or managing member interest have outstanding mortgage loans and notes payable. Generally, the loans are secured by security interests and liens common to mortgage loans on the entities' real property and other assets and are nonrecourse to the Company. Such loans bear interest at rates ranging from approximately 0% to 13.125% per annum. The majority of the first mortgage loans require monthly payments of principal and interest, while some of the subordinate loans are only payable from available cash flow and/or deferred to maturity. The mortgages mature in years from 2031 to 2065. For those mortgages payable to POAH or an affiliate, the effect of the loan has been eliminated in the consolidation for each year.

A summary of the mortgages and notes payable at year-end is as follows:

.	Balance at December 31, 2018	Balance at December 31, 2017
Permanent conventional loans, bearing compounded interest from 2.813% to 7.25%, generally with principal and interest due monthly, to be repaid in full on various maturity dates through 2049.	$ 70,277,422	$ 52,012,395
Federal, state and local agency loans, bearing interest from 0% to 12.625%, generally with principal and interest due monthly or payable from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2049.	23,403,953	28,105,747
Other loans, bearing interest from 4.5% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2031.	29,378,843	6,726,107
Accrued interest	2,224,579	719,472
Wholly owned entities	125,284,797	87,563,721
Entities controlled by POAH or affiliates	772,504,179	734,281,036
Unamortized debt issuance costs	(12,618,956)	(596,380)
	885,170,020	821,248,377
Mortgages and notes eliminated in consolidation	(189,482,027)	(186,702,505)
	$ 695,687,993	$ 634,545,872

During the years ended December 31, 2018 and 2017, amortization expense incurred on debt issuance costs was $1,005,437 and $1,532,922, respectively, and was included in property mortgage interest in the consolidated statements of activities. A summary of the mortgages payable and related deferring financing costs is as follows:

	Wholly Owned	LP	Total Balance at December 31, 2018	Wholly Owned	LP	Total Balance at December 31, 2017
Mortgages payable less unamortized debt issuance costs	$ 71,802,427	$ 394,608,181	$ 466,410,608	$ 52,745,666	$ 405,526,659	$ 458,272,325
Debt issuance costs	$ 3,288,799	$ 16,458,377	$ 19,747,176	$ 1,333,335	$ 17,663,737	$ 18,997,072
Less: accumulated amortization	(2,117,685)	(5,010,535)	(7,128,220)	(736,955)	(5,789,586)	(6,526,541)
Unamortized debt issuance costs	$ 1,171,114	$ 11,447,842	$ 12,618,956	$ 596,380	$ 11,874,151	$ 12,470,531

Annual maturities of debt for the ensuing five years are summarized as follows:

Years	Wholly Owned (1)	LP (2)	Total
2019	$ 23,749,384	$ 17,083,592	$ 40,832,976
2020	1,628,646	39,984,827	41,613,473
2021	15,343,171	8,334,070	23,677,241
2022	3,372,449	7,078,760	10,451,209
2023	990,045	7,131,689	8,121,734

(1) Entities wholly-owned by POAH
(2) Entities controlled by POAH or subsidiaries

To minimize the effect of changes in interest on a mortgage note, a limited partnership, Salem Heights Preservation Associates Limited Partnership ("SHPALP"), entered into interest rate swap agreements with two banks under which the partnership pays interest at a fixed rate of 4.24% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $695,369 and $1,029,996 as of December 31, 2018 and 2017, respectively, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

To minimize the effect of changes in interest on a mortgage note, POAH Support Corporation (“PSC”), entered into interest rate swap agreements with BMO Harris Bank under which PSC pays interest at a fixed rate of 1.31% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $150,338 and $126,830 as of December 31, 2018 and 2017, respectively, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

Note 8 - Fair value of rental property

Acquisition of real property is recorded at fair value at the time of purchase as determined by an appraisal and are categorized as Level 3. During the years ended December 31, 2018 and 2017, the Company recorded the acquisition of real property totaling $17,020,000 and $15,280,000, respectively.

At December 31, 2017, the Company’s management determined that the value of one of its properties (“Property”) was impaired. The Property was acquired and improvements were anticipated as part of a broader neighborhood redevelopment strategy. Based on an independent appraisal of the Property, management wrote down the net carrying amount of the buildings and improvements by $10,521,964 to their fair value of $11,750,000. The Property recorded an impairment loss of $10,521,964 in the accompanying consolidated statements of activities.

The impairment loss represents a noncash charge to operations and had no impact on the Company’s 2017 cash flow or its ability to generate cash flow in the future. In addition, the impairment loss had no impact on the amounts reported on the Company’s income tax returns.

In accordance with accounting standards for fair value measurement and disclosures, the fair value of the Property was measured using Level 3 inputs. Specifically, an independent property appraisal was obtained that applied the income approach in estimating the fair value. For purposes of the income approach, fair value was determined by the appraiser based on a direct capitalization analysis reflecting estimates of current and projected revenue and expense profiles, expected trends in rents and occupancy and operating expense, an annual set aside amount to fund a replacement reserve account, and available industry information about capitalization rates. Using available industry information, the appraiser applied a capitalization rate of 7.25%-9% in determining the fair value of the Property.

Note 9 - Related party transactions

Notes and other receivables from affiliates

For the years ended December 31, 2018 and 2017, POAH Inc.'s and POAH LLC's notes receivable and accounts receivable are amounts receivable from limited partnerships in which the Company is a general partner. The effect of these transactions has been eliminated in consolidation each year.

Administrative salaries and costs

The Company provides various services related to the administration of POAH LLC. For the years ended December 31, 2018 and 2017, POAH LLC reimbursed the Company for compensation, overhead and rent of $7,693,537 and $7,474,752, respectively.

Property management and related fees

Property management and related fees were earned by POAHC LLC in 2018 in the amount of $7,666,929, of which $7,208,263 has been eliminated in consolidation and in 2017 in the amount of $6,290,951, all of which has been eliminated in consolidation. At December 31, 2018 and 2017, $1,348,089 and $745,054, respectively, is due from related properties for services and advances net of an allowance for doubtful accounts which is estimated to be $600,778 and $472,375, respectively, as of December 31, 2018 and 2017.

Reimbursable salaries and expenses

POAHC LLC incurs costs related to payroll, technical support and other reimbursable expenses on behalf of the properties that it manages. In 2018 the costs incurred and the related reimbursement from related properties totaled $19,979,353, of which $19,742,541 has been eliminated in consolidation and in 2017 $18,579,521, all of which has been eliminated in consolidation. The effect of these transactions has been eliminated in consolidation each year.

Development fee and other revenue from properties

During the years ended December 31, 2018 and 2017, the Company and POAH LLC earned development fee revenue and fees from affiliated entities as follows:

	2018	2017
Development fee paid from development sources	$ 7,929,697	$ 5,087,976
Development fee paid from cash flow	7,596,838	1,656,641
Other fee revenue	460,553	584,600
	15,987,088	7,329,217
Cash flow fees from certain related properties	1,303,067	3,273,813
	17,290,155	10,603,030
Development and cash flow fees eliminated in consolidation	(14,891,839)	(8,504,156)
	$ 2,398,316	$ 2,098,874

At December 31, 2018 and 2017, $11,972,044 and $6,704,524, respectively, is due from related properties for development and cash flow fees. At December 31, 2018 and 2017, development fees received but not yet earned are $691,359 and $835,659, respectively.

Note 10 - Investments in partnerships

The Company, either as a sole member of the entity or the 100% owner of the general partner, has made capital contributions to some of the entities that own the affordable housing developments. At December 31, 2018 and 2017, investment in properties is $17,019,076 and $10,671,166, respectively, of which $16,843,924 and $10,671,166, respectively has been eliminated in consolidation.

In 2016, POAH LLC purchased the 99% limited partner and .5% supervising general partner interest in PRC Associates Limited Partnership ("PRC") for $456,027. PRC owned a property known as Oxford Gardens in Providence, RI. The investment was recorded using the equity method. On December 27, 2017, PRC sold the property to Oxford Preservation Associates Limited Partnership, an affiliate of the Company. The balance of this investment at December 31, 2018 and 2017 is $0.

On December 31, 2017, POAH LLC purchased the 99.9% limited partner interest in Terri Manor Associates, Ltd. ("TM") for $5,000. TM owns a property known as Terri Manor in Cincinnati, OH. The investment is recorded using the equity method. On May 31, 2018, an affiliate of POAH LLC purchased the .075% managing general partner interest. The balance of this investment at December 31, 2018 and 2017 is $0 and $5,000, respectively.

In May 2018, the Company purchased a non-controlling general partner interest in seven properties located in Cincinnati, OH (see Note 19). The investments are recorded using the equity method. The balance of this investment at December 31, 2018 is $175,152.

In May 2018, the Company purchased the managing member general partner interest in Losantiville Apartments Limited Partnership ("LALP"). LALP is the limited partner in Elm St. Senior Housing, Ltd, an unrelated entity. The investment is recorded using the equity method. The balance of this investment at December 31, 2018 is $1,191,023.

Certain financial information with respect to these investments at December 31, 2018 and 2017, and the years then ended, are as follows:

	2018	2017
Net investment in real estate	$ 55,243,228	$ 1,403,919
Total assets	59,702,631	2,139,654
Permanent financing (including accrued interest)	27,234,190	12,084,231
Total liabilities	29,414,007	12,652,639
Limited partner's equity (deficit)	25,170,508	(8,880,697)
General partners' equity (deficit)	2,540,156	(1,632,288)
Revenue	3,751,917	1,159,652
Expenses	7,138,693	1,348,259
Net income (loss)	(3,386,776)	(188,607)

Note 11 - Commitments and contingencies

Lease commitments

The Company leased office space under a non-cancelable operating lease in Boston, MA which expires June 30, 2020. Rental expense, inclusive of operating costs, for the year ended December 31, 2018 and 2017 totaled $669,016 and $642,443, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Chicago, Illinois which expires in April 2018. In September 2017, a lease extension was executed that commences in May 2018 and expires in April 2025. Rental expense, inclusive of operating costs and net of amounts eligible for grant reimbursement, for the years ended December 31, 2018 and 2017 totaled $159,993 and $53,590, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Washington, D.C. which expires in July 2022. Rental expense, inclusive of operating costs, for the years ended December 31, 2018 and 2017 totaled $76,265 and $50,938, respectively.

POAHC leases office space under a non-cancellable operating lease in Kansas City, Missouri, which expires in February 2018. POAHC entered into a new non-cancelable operating lease in November 2017 that commences in March 2018 and expires in March 2025. Rental expense, inclusive of real estate taxes and operating costs, for the years ended December 31, 2018 and 2017 totaled $129,170 and $127,065, respectively.

Future minimum lease payments under operating leases as of December 31, 2018 are as follows:

	INC	LLC	POAHC	Total
2019	$ 610,681	$ 249,100	$ 108,500	$ 968,281
2020	307,062	254,203	139,226	700,491
2021	-	259,381	149,095	408,476
2022	-	264,640	153,266	417,906
2023	-	173,493	157,436	330,929
	$ 917,743	$ 1,200,817	$ 707,523	$ 2,826,083

Other commitments and contingencies

The Company or its affiliates serve as the general partner or managing member for various entities that are the owners of the affordable housing properties. The investors and in some cases lenders in these entities usually require guarantees from POAH entities on behalf of the general partner or managing member as a condition to their investment. Generally, these guarantees are for obligations such as construction and rehabilitation completion, funding of operating deficits and tax credit recapture price adjusters.

A summary of the guarantees outstanding At December 31, 2018 is as follows. See Note 15 for a detail of these entities and properties.

Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2018	
Jefferson	2003	(1), (2)	N/A	N/A	December 2026	$ 970,894	$ 451,872	
Oakland	2003	(2)	N/A	N/A	N/A	N/A	-	
Woodlen	2004	(2)	N/A	N/A	N/A	N/A	-	
Beachwood	2004	(2)	N/A	N/A	N/A	N/A	-	
Southwinds	2004	(2)	N/A	N/A	N/A	N/A	-	
Meadowbrook	2004	(2)	N/A	N/A	N/A	N/A	56,913	(8)
Driftwood	2005	(1), (2)	N/A	N/A	None	420,705	-	
Crestview	2005	(1), (2)	N/A	N/A	(8)	395,547	86,217	
Washington Gardens	2005	(1), (2)	N/A	N/A	N/A	N/A	-	
Garfield Hills	2006	(1), (2)	N/A	N/A	N/A	N/A	588,391	(8)
Hillside	2006	(2)	N/A	N/A	N/A	N/A	-	
Pocasset	2006	(2)	N/A	N/A	N/A	N/A	-	
Hillcrest	2007	(2)	N/A	N/A	N/A	N/A	-	
Bridle Path	2007	(2)	N/A	N/A	N/A	N/A	-	
Chestnut Gardens	2007	(2)	N/A	N/A	N/A	N/A	-	
Dom Narodowy	2007	(2)	N/A	N/A	N/A	N/A	-	
Eastgate	2007	(2)	N/A	N/A	N/A	N/A	-	
Fairweather	2007	(2)	N/A	N/A	N/A	N/A	-	
Fieldstone	2007	(2)	N/A	N/A	N/A	N/A	-	
Heritage	2008	(2)	N/A	N/A	N/A	N/A	-	
Cocheco	2008	(2), (3)	N/A	N/A	N/A	N/A	-	
Riverview	2008	(3)	N/A	1,600,000	N/A	N/A	-	
United Front	2008	(1), (2)	N/A	N/A	(7)	1,050,000	27,299	
WCS	2010	(1), (2), (6)	N/A	N/A	(7)	310,000	-	
Sugar River	2010	(1), (2)	N/A	N/A	(7)	815,000	-	
New Horizons	2010	(1), (2)	N/A	N/A	N/A	N/A	-	
Cromwell	2011	(1), (2)	N/A	N/A	(7)	715,815	-	
Renaissance	2011	(1), (2)	N/A	N/A	N/A	N/A	-	
Blackstone	2012	(1), (2)	N/A	N/A	June 2018	1,998,765	-	
Franklin	2012	(1), (2)	N/A	N/A	(7)	1,994,828	-	
Kenmore	2012	(1), (2)	N/A	N/A	(7)	2,396,000	-	
Peter's Grove	2012	(1), (2)	N/A	N/A	(7)	653,755	-	
Rock Harbor	2012	(1), (2)	N/A	N/A	June 2018	641,983	-	
WCN	2012	(1), (2), (6)	N/A	N/A	(7)	162,500	-	
Clay Pond Cove	2012	(1), (2)	N/A	N/A	(7)	393,543	-	
Kings Landing	2013	(1), (2)	N/A	N/A	(7)	593,473	-	
Central Annex	2013	(1), (2), (9)	N/A	N/A	(7)	554,259	-	
Torringford	2013	(1), (2)	N/A	N/A	(7)	413,050	-	
Grace	2013	(1), (2)	N/A	N/A	(7)	702,695	-	
Old Middletown	2014	(1), (2)	N/A	N/A	(7)	700,068	-	
WP Senior	2014	(1), (2), (6)	N/A	N/A	(7)	288,634	-	
Harbor City	2014	(1), (2)	N/A	N/A	(7)	840,000	-	
Dennis	2014	(1), (2)	N/A	N/A	(7)	161,956	-	
Lafayette	2014	(1), (2)	N/A	N/A	(7)	548,000	-	
Briston Arms	2015	(1), (2), (3), (4)	(4)	3,700,000	(7)	4,475,000	-	
Newberry	2015	(1), (2), (3)	N/A	144,241	(7)	524,914	-	
Billings Forge	2015	(1), (2), (9)	N/A	N/A	(7)	620,000	-	
Cherry Briggs	2016	(1), (2)	N/A	N/A	(7)	569,290	-	
Trianon	2016	(2), (3), (10)	N/A	5,500,000	N/A	N/A	-	
Brandy Hill	2016	(1), (2), (4)	(4)	N/A	N/A	630,000	-	
Founders	2016	(1), (2), (4)	(4)	N/A	N/A	300,055	-	
Trinity Towers East	2016	(1), (2)	(4)	N/A	N/A	660,404	112,000	(8)
Trinity Towers South	2016	(1), (2)	(4)	9,450,000	N/A	881,300	-	
Tribune	2016	(1), (2), (4)	(4)	N/A	N/A	441,155	-	
Woodlawn Rollup	2017	(1), (2), (5)	7,115,430	N/A	N/A	1,232,956	282,074	
Woodlawn Station	2017	(1), (2), (3), (4)	(4)	5,000,000	(7)	369,000	-	
Oxford	2017	(1), (2), (4)	(4)	N/A	N/A	685,000	-	
Whittier 1A-4	2018	(1), (2), (5)	(4)	N/A	(7)	532,000	-	
Whittier 1A-9	2018	(1), (2), (5)	(4)	N/A	(7)	335,000	-	
Bedford	2018	(1), (2), (4)	(4)	N/A	(7)	755,140	-	
Greenwood	2018	(1), (2), (5)	(4)	12,300,000	(7)	928,300	-	

Types of guarantees
(1) Operating deficits
(2) Tax credit recapture price adjusters
(3) Loan guarantee
(4) Construction rehabilitation completion, per agreement there is no limit on the amount of this guarantee
(5) Construction completion and construction loan guarantee
(6) Financing coverage guarantee
Other
(7) Two to five years from construction completion and/or breakeven
(8) Eliminated in consolidation
(9) Annual commercial income guarantee
(10) Basic rent guarantee per Net Lease

Note 12 - Financial instruments

The Company and its subsidiaries maintain its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes it is not exposed to any significant credit risk on its cash, cash equivalents and other deposits at December 31, 2018 and 2017.

Note 13 - Rent subsidies

For most of the properties, tenants' rents are being subsidized by various federal and state programs. Generally, these programs restrict assistance to those residents who qualify by meeting certain established criteria, including maximum income limitations. A majority of the properties have entered into contracts with HUD to provide the federal subsidies. These contracts expire in years 2019 to 2041. Rent subsidies totaled $89,498,187 and $81,506,594 for 2018 and 2017, respectively.

Note 14 - Net assets with donor restrictions

The Company received the following grants which are included in net assets with donor restrictions at December 31, 2018 and 2017 for either time restrictions or restrictions related to specific program services:

	Balance at December 31, 2018	Balance at December 31, 2017
Home ownership assistance	$ 143,389	$ 346,198
Community resource center	115,000	15,000
Installation of artwork	15,000	15,000
Real estate predevelopment	30,000	-
Resident and community engagement	96,685	-
Children savings accounts	28,500	26,250
Family Self Sufficiency	165,000	18,333
Community arts festival	9,945	9,945
Choice endowment	706,788	909,726
Capital Magnet Fund	4,300,000	4,300,000
	$ 5,610,307	$ 5,640,452

Note 15 - Limited partnerships and limited liability companies

As of December 31, 2018, the Company owns a general partner or managing member interest in the following entities:

	Entity	Project Location	No. of Units
1)	Country Club Village II Associates - I, L.P.	Springfield, MO	28
2)	Highland Acres Associates - I, L.P.	Carthage, MO	35
3)	Houston Plaza Associates - I, L.P.	Adrian, MO	34
4)	Maplew ood Manor Associates - I, L.P.	Web City, MO	60
5)	Monroe Estates Associates - I, L.P.	Lebanon, MO	74
6)	Prairie Plains Associates - I, L.P.	Lamar, MO	50
7)	Woodlen Place Associates, L.P.	Kansas City, MO	60
8)	Crestview Village Associates - I, L.P.	Liberty, MO	48
9)	Beachw ood Preservation Associates Limited Partnership	Narragansett, RI	56
10)	Southw inds Preservation Associates Limited Partnership	Narragansett, RI	48
11)	Driftw ood Preservation Associates Limited Partnership	Narragansett, RI	32
12)	Hillside Preservation Associates Limited Partnership	Providence, RI	42
13)	Pocasset Preservation Associates Limited Partnership	Providence, RI	82
14)	Hillcrest Preservation Associates Limited Partnership	Providence, RI	130
15)	Fieldstone Preservation Associates Limited Partnership	Narragansett, RI	24
16)	Heritage Preservation Associates Limited Partnership	North Kingstow n, RI	204
17)	Grace Preservation Associates Limited Partnership	Providence, RI	101
18)	Cherry Briggs Preservation Associates Limited Partnership	Johnston & Providence, RI	160
19)	Oxford Preservation Associates Limited Partnership	Providence, RI	128
20)	Jefferson Maison East Limited Dividend Housing Association LLC	Detroit, MI	280
21)	Oakland Grand Haven Limited Dividend Housing Association LLC	Troy, MI	297
22)	Meadow brook Preservation Associates Limited Partnership	Northampton, MA	252
23)	Bridle Path Preservation Associates Limited Partnership	Randolph, MA	104
24)	Chestnut Gardens Preservation Associates Limited Partnership	Lynn, MA	65
25)	Dom Narodow y Polski Preservation Associates Limited Partnership	Chicopee, MA	50
26)	Eastgate Preservation Associates Limited Partnership	Springfield, MA	148
27)	Fairw eather Preservation Associates Limited Partnership	Beverly, Danvers,	321
28)	United Front Nine Preservation Associates Limited Partnership	New Bedford, MA	173
29)	Cromw ell Preservation Associates Limited Partnership	Hyanis, MA	124
30)	CB Rental Limited Partnership	Bourne, MA	28
31)	Blackstone Preservation Associates Limited Partnership	Boston, MA	145
32)	Franklin Preservation Associates Limited Partnership	Boston, MA	193
33)	Kenmore Abbey Preservation Associates Limited Partnership	Boston, MA	199
34)	Peter's Grove Preservation Associates Limited Partnership	Hudson, MA	96
35)	Rock Harbor Preservation Associates Limited Partnership	Orleans, MA	100
36)	Clay Pond Preservation Associates Limited Partnership	Bourne, MA	45
37)	Kings Landing Preservation Associates Limited Partnership	Brew ster, MA	108
38)	Central Annex Preservation Associates Limited Partnership	Pittsfield, MA	101
39)	Dennis Community Housing Preservation Associates Limited Partnership	Dennis, MA	27
40)	Briston Arms Preservation Associates Limited Partnership	Cambridge, MA	154
41)	Founders Court Preservation Associates Limited Partnership	Hyannis, MA	32
42)	Brandy Hill Preservation Associates Limited Partnership	E. Wareham, MA	132
43)	Tribune Preservation Associates Limited Partnership	Framingham, MA	53
44)	Canal Bluffs P3 Preservation Associates Limited Partnership	Bourne, MA	44
45)	Whittier 1A-4 Preservation Associates Limited Partnership	Boston, MA	58
46)	Whittier 1A-9 Preservation Associates Limited Partnership	Boston, MA	34
47)	Bedford Village Preservation Associates Limited Partnership	Bedford, MA	110
48)	Crestview Preservation Associates Limited Partnership	Kankakee, IL	132
49)	WCS Preservation Associates Limited Partnership	Chicago, IL	67
50)	Renaissance Preservation Associates Limited Partnership	Chicago, IL	117
51)	WCN Preservation Associates Limited Partnership	Chicago, IL	33
52)	WP Senior Preservation Associates Limited Partnership	Chicago, IL	65
53)	Lafayette Preservation Associates Limited Partnership	Chicago, IL	94

	Entity	Project Location	No. of Units
54)	Newberry Preservation Associates Limited Partnership	Chicago, IL	84
55)	Woodlawn Station Preservation Associates Limited Partnership	Chicago, IL	70
56)	Woodlawn Roll-up Preservation Associates Limited Partnership	Chicago, IL	196
57)	Greenwood Preservation Associates Limited Partnership	Chicago, IL	122
58)	Washington Gardens Preservation Associates L.P.	Hagerstown, MD	100
59)	Garfield Hills Preservation Associates Limited Partnership	Washington, DC	94
60)	Cocheco Preservation Associates Limited Partnership	Dover, NH	78
61)	Sugar River Preservation Associates Limited Partnership	Claremont, NH	162
62)	New Horizons Preservation Associates LP	Miami, FL	100
63)	Harbor City Towers LLLP	Melbourne, FL	192
64)	Trinity Towers East Preservation Associates LLLP	Melbourne, FL	156
65)	New Trinity Towers South Preservation Associates LLLP	Melbourne, FL	162
66)	Torringford West Preservation Associates Limited Partnership	Torrington, CT	79
67)	Billings Forge LLC		
68)	Billings Forge Preservation Associates Limited Partnership	Hartford, CT	112
69)	Old Middletown Preservation Associates Limited Partnership	Middletown, CT	65
70)	Abigail Apartments Limited Partnership	Cincinnati, OH	71
71)	Abington Race and Pleasant, LLC	Cincinnati, OH	50
72)	Baymiller Manor Limited Partnership	Cincinnati, OH	31
73)	Burnet Place Limited Partnership	Cincinnati, OH	62
74)	Community Manor Limited Partnership	Cincinnati, OH	24
75)	Fairview Estates Limited Partnership	Cincinnati, OH	28
76)	Losantiville Apartments Limited Partnership	Cincinnati, OH	87
77)	Magnolia Heights Limited Partnership	Cincinnati, OH	98
78)	Navarre Garrone Limited Partnership	Cincinnati, OH	62
79)	North Rhine Heights Limited Partnership	Cincinnati, OH	65
80)	OTR Revitalization Limited Partnership	Cincinnati, OH	94
81)	Pendleton Estates Limited Partnership	Cincinnati, OH	42
82)	Villas of the Valley Limited Partnership	Lincoln Heights, OH	42
83)	Villas of the Valley II Limited Partnership	Lincoln Heights, OH	35
84)	Wesley Estates Limited Partnership	Cincinnati, OH	29
85)	WH Mainstrasse I, LLLP	Convington, KY	41
86)	POAH Cherry Hill LLC (100% owned by POAH, Inc)		
87)	POAH Aaron Briggs LLC (100% owned by POAH, Inc)		
88)	POAH Fieldstone Apartments LLC (100% owned by POAH, Inc)		
89)	POAH Torringford West LLC (100% owned by POAH, Inc)		
90)	POAH Old Middletown LLC (100% Owned by POAH, Inc)		
91)	POAH Central Annex LLC (100% owned by POAH, Inc)		
92)	SSAH LLC (100% owned by POAH, Inc)	Weymouth, MA	20
93)	POAH Brandy Hill LLC (100% owned by POAH, Inc)		
94)	POAH Ventures LLC (100% owned by POAH, Inc)		
95)	BR Sugar River Limited Partnership (100% owned by POAH, Inc)		
96)	POAH Kings Landing LLC (100% owned by POAH, Inc)		
97)	Riverview Residences Dover LLC (100% owned by POAH, Inc)	Dover, NH	24
98)	POAH Cutler Meadows LLC (100% owned by POAH, Inc)	Miami, FL	225
99)	POAH Cutler Manor LLC (100% owned by POAH, Inc)	Miami, FL	219
100)	POAH Middletowne Apartments LLC (100% owned by POAH, Inc)	Orange Park, FL	100
101)	POAH Campbell Arms, LLC (100% owned by POAH, Inc)	Homestead, FL	201
102)	POAH New Horizons, LLC (100% owned by POAH, Inc)		
103)	POAH Trinity Towers East, LLC (100% owned by POAH, Inc)		
104)	POAH Trinity Towers West, LLC (100% owned by POAH, Inc)		
105)	Trinity Towers South Preservation Associates LLLP (100% owned by POAH, Inc)		
106)	POAH NSP Chicago LLC (100% owned by POAH, Inc)	Chicago, IL	6
107)	POAH Grove Parc Apartments LLC (100% owned by POAH, Inc)	Chicago, IL	-
108)	POAH Holdings (100% owned by POAH, Inc)	Chicago, IL	
109)	POAH NMTC2 Title Holding Company LLC (100% owned by POAH, Inc)	Chicago, IL	27
110)	POAH Support Corporation (100% owned by POAH, Inc)		
111)	POAH Greenwood Park LLC (100% owned by POAH, Inc)	Chicago, IL	
112)	POAH JBL LLC (100% owned by POAH, Inc)	Chicago, IL	106

	Entity	Project Location	No. of Units
113)	Colony Plaza Associates, L.P. (100% owned by POAH, Inc)	Excelsior Springs, MO	111
114)	Country Club Village Associates, L.P. (100% owned by POAH, Inc)	Springfield, MO	70
115)	Glenwood Manor Associates, L.P. (100% owned by POAH, Inc)	Springfield, MO	119
116)	Highland Meadows Associates, L.P. (100% owned by POAH, Inc)	Carthage, MO	44
117)	Deerfield Village Associates, L.P. (100% owned by POAH, Inc)	Carthage, MO	60
118)	Salem Heights Preservation Associates, Limited Partnership (100% owned by POAH, Inc.)	Salem, MA	283
119)	Hawthorne Associates Limited Partnership (100% owned by POAH, Inc)	Independence, MO	745
120)	Terri Manor Associates LTD.	Cincinnati, OH	81
121)	Barry Farm Redevelopment Associates, LLC (100% owned by POAH, Inc)		
122)	POAH Landowner, LLC (100% owned by POAH, Inc)		
			10,451

The majority of these properties qualify for the low-income tax credit in accordance with Section 42 of the Internal Revenue Code. Provisions of Section 42 regulate the use of the Project as to occupancy eligibility and unit gross rent, among other requirements, for 15 years. Most of the properties are subject to these provisions for additional terms in accordance with agreements entered into with the state tax credit agencies. The properties are also controlled by regulatory agreements with lenders and other funding and subsidy sources.

The limited partners or investor members generally own between 99 to 99.99% interest in the properties. Capital contributions are due from these partners or members in installments upon each property's satisfaction of specified conditions, as defined, and are subject to adjustment based on the actual low income tax credits delivered. These contributions are recorded by the entities when received.

Note 16 - State credit proceeds

The Company sells State Low Income Housing Tax Credits ("SLIHTC") and State Historic Tax Credits (“SHTC”) from limited partnership properties to unrelated parties. The Company recognizes these proceeds as income over the respective state credit period. The funds are then loaned to the properties to fund rehabilitation or construction.

A summary of the state credits is as follows:

Year of Sale	Credit Type	Credit Proceeds	Credit Period	Income 2017	Deferred Income at December 31, 2017	Income 2018	Deferred Income at December 31, 2018
2012	SLIHTC	$ 10,262,926	2013-2017	$ 2,052,586	$ -	$ -	$ -
2013	SLIHTC	3,288,680	2013-2017	657,736	-	-	-
2015	SHTC	695,000	2015-2019	139,000	278,000	139,000	139,000
2017	SLIHTC	3,633,750	2017-2021	726,750	2,907,000	726,750	2,180,250
2018	SHTC	736,000	2018-2022	-	-	147,200	588,800
				$ 3,576,072	$ 3,185,000	$ 1,012,950	$ 2,908,050

Note 17 - Deferred gains

The Company has purchased various properties and then sold those properties to limited partnerships in which an affiliate of the Company serves as general partner. This related party sale results in a deferred gain.

As part of the purchase of certain of these properties, the Company acquired reserve funds. The Company then used those reserve funds to either fund general partner capital contributions or provide loans to related limited partnerships.

The following is a summary of the deferred gains and related notes receivable:

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable	
Pocasset Manor Apartments	$ 3,521,344	$ 2,340,000	$ 1,067,857	$ 1,181,344	(1)
Hillcrest Village Apartments	300,000	300,000	-	-	
Bridle Path Apartments	2,613,236	844,160	-	3,049,285	(2)
Chestnut Garden Apartments	1,727,285	1,727,285	-	-	
Dom Narodowy Polski Apartments	965,490	912,273	-	53,217	(2)
Eastgate Apartments	6,242,014	3,196,804	-	3,045,210	(2)
Heritage Village II Apartments	4,668,132	1,639,308	-	3,028,824	(3)
New Horizons	200,000	200,000	-	-	
Cromwell Court	872,000	872,000	-	-	
Blackstone	16,658,507	12,485,719	-	4,172,788	(4)
Franklin	16,676,301	16,676,301	-	-	
Kenmore Abbey	17,722,502	12,182,798	-	5,539,704	(5)
Peter's Grove	626,994	626,994	-	-	
Rock Harbor	355,416	355,416	-	-	
King's Landing	2,400,000	2,400,000	-	-	
Chery Hill	444,276	-	-	444,276	(6)
Aaron Briggs	114,098	-	-	114,098	(6)
Brandy Hill	1,356,610	-	-	1,356,610	
	77,464,205	56,759,058	1,067,857	21,985,356	
Gain recognized from receipt of principal payment in prior years	(565,897)	(428,886)	-	(137,011)	
Gain recognized from receipt of principal payment in 2017	(1,642,865)	(925,640)	-	(717,225)	
Gain recognized from receipt of principal payment in 2018	(2,293,458)	(1,411,804)	-	(881,654)	
	$ 72,961,985	$ 53,992,728	$ 1,067,857	$ 20,249,466	

(1) Funds loaned to Pocasset, Hillside and Hillcrest
(2) Funds loaned to Fairweather, Chestnut Gardens and Dom Narodowy
(3) Funds loaned to Heritage and Fieldstone
(4) Funds loaned to Franklin and Rock Harbor
(5) Funds loaned to Franklin and Peter's Grove
(6) Funds loaned to Cherry Briggs

The results of the above transactions are eliminated in consolidation.

Note 18 - Purchase of interest in POAH LLC

The Company (the "Buyer") purchased HII's (the "Seller") non-controlling interest in POAH, LLC on January 12, 2012. The purchase was financed with a series of seller notes as described below.

Two contingent notes that were delivered from the Buyer to the Seller on the third ("Third Year Note") and sixth ("Sixth Year Note") anniversaries of the closing, sized at 15% of the value of POAH LLC based on revaluations that were carried out at the dates of the note issuances. The notes amortized with fixed payments on a seven year and four year term, respectively. The Third Year Note was issued effective January 12, 2015 in the amount of $4,168,759 with interest at 6.5%. The Sixth Year Note was issued effective January 12, 2018 in the amount of $3,528,039 with interest at 7%. During 2018 and 2017, interest on both notes of $161,530 and $90,555, respectively was incurred. Accrued and unpaid interest at December 31, 2018 and 2017 is $0 and 28,496, respectively. The two notes were repaid in full in June 2018.

The contingent purchase obligation, which represented the present value of the Sixth Year Note prior to issuance, was $0 and $3,528,039 at December 31, 2018 and 2017, respectively.

The purchase notes and contingent notes were collateralized by the assets of POAH LLC.

Under the accounting rules governing the purchase of a non-controlling interest (a/k/a minority partner), the Company recorded the difference between the purchase price and the book value of HII's capital account in POAH LLC in 2012 as a $9,104,606 reduction of net assets. In 2014, $2,535,442 was recorded as a reduction of net assets to reflect the estimated increase in the value of the contingent notes. In 2017, $199,858 was recorded as an increase of net assets to reflect the estimated decrease in value of the contingent note.

Note 19 - Model Group acquisition

On May 31, 2018, POAH completed the acquisition of a group of entities representing 1,556 rental units from The Model Group, Inc. and TMG Investment Group, LLC, together referred to as Model. As a result of the acquisition, POAH obtained a controlling interest in twelve properties representing 540 rental units, a non-controlling interest in seven properties representing 446 rental units, and management contracts related to thirteen other properties representing another 570 rental units. The acquisition expands POAH’s property activities in Ohio. The acquisition qualifies as an acquisition of assets. The following table summarizes the acquisition cost and the cost of assets acquired and liabilities assumed recognized at the acquisition date.

	Controlling Interest in Properties	Non-Controlling Interest in Properties	Management Contracts	Total
Model payments and notes	$ 2,094,286	$ 177,175	$ 213,014	$ 2,484,475
Assumed liabilities				
POAH	$ 2,160,834	$ -	$ -	$ 2,160,834
Properties	14,758,318	-	-	14,758,318
	$ 19,013,438	$ 177,175	$ 213,014	$ 19,403,627
Financial assets	$ 4,389,776	$ 177,175	$ 213,014	$ 4,779,965
Property and fixed assets	14,582,248	-	-	14,582,248
Intangible assets	1,588,071	-	-	1,588,071
Financial liabilities	(1,546,654)	-	-	(1,546,654)
	$ 19,013,441	$ 177,175	$ 213,014	$ 19,403,630
Properties	12	7	13	32
Units	540	446	570	1,556

Acquisition related costs of $134,375 incurred by POAH are included in the acquisition cost. Additional liabilities of $16,919,152 were incurred to acquire those property entities where POAH acquired a controlling interest and are included in total acquisition cost. Of this amount, $2,160,834 is for liabilities assumed directly by POAH and $14,758,318 is for liabilities assumed through the underlying property entities.

Note 20 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes to the consolidated financial statements. Management evaluated the activity of the Company through June 30, 2019 and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements. The following subsequent events are required to be disclosed in the notes to the financial statements.

In May and June 2019, affiliates of the Company purchased two portfolios totaling ten properties in Chicago, IL for a combined acquisition price of $42,475,390. The acquisition was funded from third party debt and debt from the Company.

Supplementary Information

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2018

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Current assets						
Cash and cash equivalents	$ 7,856,563	$ 5,638,583	$ 21,253,499	$ 34,748,645	$ -	$ 34,748,645
Restricted cash	3,913,764	-	-	3,913,764	-	3,913,764
Restricted reserves	1,263,400	-	-	1,263,400	-	1,263,400
Accounts receivable						
Rental - tenants and subsidy	-	299,961	749,794	1,049,755	-	1,049,755
Grants receivable	207,548	-	-	207,548	-	207,548
Properties, net of allowance for doubtful accounts	2,809,425	-	-	2,809,425	(1,996,151)	813,274
Development fees	10,520,310	-	-	10,520,310	(10,520,310)	-
Other	1,288,017	36,382	381,213	1,705,612	(107,339)	1,598,273
Escrow deposits	-	11,153,003	68,498,705	79,651,708	-	79,651,708
Tenant security deposits	-	885,583	2,627,527	3,513,110	-	3,513,110
Due from affiliates	150,307	380,878	-	531,185	(531,185)	-
Prepaid expenses	358,263	420,735	785,071	1,564,069	-	1,564,069
Note receivable, current	2,031,857	-	-	2,031,857	(2,031,857)	-
Interest on notes receivable	2,221,137	-	-	2,221,137	(2,221,137)	-
Predevelopment costs reimbursable, current	7,000,023	3,751,254	-	10,751,277	(1,709,226)	9,042,051
Total current assets	39,620,614	22,566,379	94,295,809	156,482,802	(19,117,205)	137,365,597
Other assets						
Notes receivable, net of discount	139,200,670	13,547,689	-	152,748,359	(144,491,921)	8,256,438
Investment in partnerships	16,880,816	138,260	1,191,023	18,210,099	(16,843,924)	1,366,175
Predevelopment costs reimbursable, net of current	2,708,599	-	-	2,708,599	-	2,708,599
Other assets	960,642	300,444	4,482,049	5,743,135	-	5,743,135
Total other assets	159,750,727	13,986,393	5,673,072	179,410,192	(161,335,845)	18,074,347
Fixed assets						
Land and buildings	-	157,219,896	1,110,689,746	1,267,909,642	(241,571,665)	1,026,337,977
Rehabilitation in progress	298,264	408,796	23,104,941	23,812,001	-	23,812,001
Furniture, equipment and leasehold improvements	466,678	1,609,508	14,378,029	16,454,215	-	16,454,215
Less: Accumulated depreciation	(310,486)	(47,799,522)	(186,157,040)	(234,267,048)	45,888,892	(188,378,156)
Total fixed assets	454,456	111,438,678	962,015,676	1,073,908,810	(195,682,773)	878,226,037
Total assets	$ 199,825,797	$ 147,991,450	$ 1,061,984,557	$ 1,409,801,804	$ (376,135,823)	$ 1,033,665,981

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2018

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Liabilities						
Current liabilities						
Accounts payable	$ 807,548	$ 1,742,142	$ 4,408,565	$ 6,958,255	$ (734,015)	$ 6,224,240
Accrued expenses	1,539,656	1,659,650	6,861,476	10,060,782	(12,500)	10,048,282
Accounts payable - development	31,060	3,952,153	54,111,709	58,094,922	(49,068,325)	9,026,597
Accrued interest	29,392	144,849	1,753,415	1,927,656	-	1,927,656
Mortgages payable - properties, current	-	23,749,384	6,110,890	29,860,274	-	29,860,274
Construction loans - properties, current	-	-	10,972,702	10,972,702	-	10,972,702
Loan payable, current	3,566,797	-	-	3,566,797	-	3,566,797
Line of credit, current	1,000,659	-	-	1,000,659	-	1,000,659
Deferred liabilities, current	13,294	-	-	13,294	-	13,294
Tenant security deposits	-	843,079	2,462,189	3,305,268	-	3,305,268
Prepaid revenue	17,280	374,397	789,908	1,181,585	-	1,181,585
Due to affiliates	170,813	2,372,336	1,341,607	3,884,756	(3,562,804)	321,952
Total current liabilities	7,176,499	34,837,990	88,812,461	130,826,950	(53,377,644)	77,449,306
Long-term liabilities						
Loans and notes payable, net of current	24,945,757	-	-	24,945,757	-	24,945,757
Line of credit, net of current	838,678	-	-	838,678	-	838,678
Accrued interest payable - notes payable	642,295	-	-	642,295	-	642,295
Notes payable and accrued interest - properties	-	52,311,256	355,475,454	407,786,710	(189,482,027)	218,304,683
Mortgages payable - properties, net of current	-	48,053,043	388,497,291	436,550,334	-	436,550,334
Interest rate swap	-	845,707	-	845,707	-	845,707
Other long-term liabilities	-	-	380,878	380,878	(380,878)	-
Deferred liabilities, net of current	659,060	-	-	659,060	-	659,060
Deferred income	77,962,697	12,674,734	6,457,469	97,094,900	(88,415,359)	8,679,541
Total long-term liabilities	105,048,487	113,884,740	750,811,092	969,744,319	(278,278,264)	691,466,055
Total liabilities	112,224,986	148,722,730	839,623,553	1,100,571,269	(331,655,908)	768,915,361
Net assets						
Net assets without donor restrictions controlling	80,272,974	(731,280)	5,112,279	84,653,973	(31,431,057)	53,222,916
Net assets without donor restrictions noncontrolling	1,717,530	-	217,248,725	218,966,255	(13,048,858)	205,917,397
Total net assets without donor restrictions	81,990,504	(731,280)	222,361,004	303,620,228	(44,479,915)	259,140,313
Net assets with donor restrictions	5,610,307	-	-	5,610,307	-	5,610,307
Total net assets	87,600,811	(731,280)	222,361,004	309,230,535	(44,479,915)	264,750,620
Total liabilities and net assets	$ 199,825,797	$ 147,991,450	$ 1,061,984,557	$ 1,409,801,804	$ (376,135,823)	$ 1,033,665,981

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year ended December 31, 2018

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Support and revenue						
Rental income	$ -	$ 21,857,941	$ 104,001,988	$ 125,859,929	$ -	$ 125,859,929
Grant income	742,468	166,920	496,595	1,405,983	-	1,405,983
Grant income, capital investments	3,099,394	-	-	3,099,394	-	3,099,394
Contribution income	6,250	-	-	6,250	-	6,250
Developer fee revenue	15,987,088	-	-	15,987,088	(13,588,772)	2,398,316
Cash flow from properties	1,170,317	-	-	1,170,317	(1,170,317)	-
State tax credit proceeds	1,012,950	-	-	1,012,950	-	1,012,950
Property management and related fees	8,101,820	-	-	8,101,820	(7,208,263)	893,557
Reimbursable salaries and expenses	20,368,370	-	-	20,368,370	(19,742,541)	625,829
Gain on receipt of mortgage note	2,293,458	-	-	2,293,458	(2,293,458)	-
Gain on prepayment of notes receivable	578,976	-	-	578,976	(578,976)	-
Gain on sale	-	1,539,305	-	1,539,305	-	1,539,305
Interest income	1,690,789	130,921	697,745	2,519,455	(1,762,624)	756,831
Loss on investment in partnership	-	-	(112,894)	(112,894)	-	(112,894)
Investment and other income	1,977,954	2,563,704	2,688,895	7,230,553	(1,948,156)	5,282,397
	57,029,834	26,258,791	107,772,329	191,060,954	(48,293,107)	142,767,847
Net assets released from restrictions	-	-	-	-	-	-
Total support and revenue	57,029,834	26,258,791	107,772,329	191,060,954	(48,293,107)	142,767,847
Expenses						
Personnel	14,365,517	-	-	14,365,517	-	14,365,517
Development expense	1,770,075	-	-	1,770,075	(423,745)	1,346,330
Professional services	1,081,364	-	-	1,081,364	-	1,081,364
Contributions and grants made	1,607,261	-	-	1,607,261	-	1,607,261
Rental	1,058,967	-	-	1,058,967	-	1,058,967
Taxes and insurance	404,021	-	-	404,021	-	404,021
Travel and lodging	893,494	-	-	893,494	-	893,494
Interest	1,463,056	-	-	1,463,056	-	1,463,056
Reimbursable salaries and expenses	20,368,370	-	-	20,368,370	(19,742,541)	625,829
Property operations	-	16,851,424	69,438,185	86,289,609	(7,384,141)	78,905,468
Property mortgage interest	-	3,962,849	30,588,455	34,551,304	(2,301,567)	32,249,737
Office and administration	1,274,768	-	-	1,274,768	-	1,274,768
Depreciation and amortization	84,968	3,530,051	28,000,110	31,615,129	(7,892,694)	23,722,435
Community impact	2,590,103	-	-	2,590,103	-	2,590,103
Bad debt expense	162,281	-	-	162,281	-	162,281
Miscellaneous	136,041	-	-	136,041	-	136,041
Total expenses	47,260,286	24,344,324	128,026,750	199,631,360	(37,744,688)	161,886,672
Excess of expenses over revenue	9,769,548	1,914,467	(20,254,421)	(8,570,406)	(10,548,419)	(19,118,825)
Excess of expenses over revenue attributable to noncontrolling interests	25,394	-	(20,252,396)	(20,227,002)	-	(20,227,002)
Excess of revenue over expenses attributable to the Company	$ 9,744,154	$ 1,914,467	$ (2,025)	$ 11,656,596	$ (10,548,419)	$ 1,108,177

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets
Year ended December 31, 2018

	Net assets without donor restrictions										Net assets with donor restrictions	Net assets
	Controlling					Noncontrolling						
	Core Operating Companies	Wholly Owned	LP	Eliminations	Subtotal	Core Operating Companies	LP	Eliminations	Subtotal	Total	Controlling	Total
Beginning balance, January 1, 2018	$ 69,927,002	$ (12,147,745)	$ (507,930)	$ (24,991,005)	$ 32,280,322	$ 1,921,670	$ 211,492,553	$ (13,048,858)	$ 200,365,365	$ 232,645,687	$ 5,640,452	$ 238,286,139
Acquisition of ownership interest	-	(475,658)	7,915,283	-	7,439,625	-	-	-	-	7,439,625	-	7,439,625
Transfer of limited partnership interest to controlling	-	12,364,647	-	-	12,364,647	-	(12,364,647)	-	(12,364,647)	-	-	-
Capital contributions from noncontrolling interests	-	-	-	-	-	-	38,532,514	-	38,532,514	38,532,514	-	38,532,514
Capital contributions from the Company	-	-	19,352	(19,352)	-	-	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	(229,534)	(159,299)	-	(388,833)	(388,833)	-	(388,833)
Distributions to the Company	-	(2,565,172)	(61,131)	2,626,303	-	-	-	-	-	-	-	-
Other changes in equity	571,673	178,181	(2,251,270)	1,501,416	-	-	-	-	-	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	-	-	25,394	(20,252,396)	-	(20,227,002)	(20,227,002)	-	(20,227,002)
Excess of revenue (expenses) attributable to the Company	9,774,299	1,914,467	(2,025)	(10,548,419)	1,138,322	-	-	-	-	1,138,322	(30,145)	1,108,177
Ending balance, December 31, 2018	$ 80,272,974	$ (731,280)	$ 5,112,279	$ (31,431,057)	$ 53,222,916	$ 1,717,530	$ 217,248,725	$ (13,048,858)	$ 205,917,397	$ 259,140,313	$ 5,610,307	$ 264,750,620

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2018

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 9,769,548	$ 1,914,467	$ (20,254,421)	$ (8,570,406)	$ (10,548,419)	$ (19,118,825)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities						
Gain (loss) on investment in partnership	2,977	(1,445,801)	(112,894)	(1,555,718)	-	(1,555,718)
Investment income	(1,708,232)	-	-	(1,708,232)	1,708,232	-
Depreciation and amortization	84,968	3,530,051	28,000,110	31,615,129	(6,379,458)	25,235,671
Amortization of debt issuance costs	15,228	145,240	860,197	1,020,665	-	1,020,665
Change in fair market value of interest rate swaps	-	(311,119)	-	(311,119)	-	(311,119)
Gain (loss) on sale of properties	1,196,751	(1,539,305)	-	(342,554)	-	(342,554)
Forgiveness of debt	-	(574,311)	-	(574,311)	-	(574,311)
Deferred income	(1,207,950)	-	-	(1,207,950)	-	(1,207,950)
Changes in						
Accounts receivable	(5,804,153)	252,300	688,671	(4,863,182)	4,955,340	92,158
Prepaid expenses and other assets	477,579	(22,201)	(18,154)	437,224	-	437,224
Predevelopment costs reimbursable	(1,639,575)	(696,771)	-	(2,336,346)	230,843	(2,105,503)
Accounts payable and accrued expenses	(394,890)	804,949	2,461,088	2,871,147	109,953	2,981,100
Prepaid and deferred revenues	694,247	1,156,731	202,971	2,053,949	-	2,053,949
Tenant security deposits, net	-	(9,108)	(56,930)	(66,038)	-	(66,038)
Due to affiliates, net	(35,278)	255,954	(1,219,586)	(998,910)	901,605	(97,305)
Net cash provided by operating activities	1,451,220	3,461,076	10,551,052	15,463,348	(9,021,904)	6,441,444
Cash flows from investing activities						
Escrow deposits and restricted reserves, net	(459,612)	2,609,948	6,092,198	8,242,534	-	8,242,534
Advances on notes receivable and accrued interest	(6,313,285)	(337,032)	-	(6,650,317)	6,650,317	-
Repayments of notes receivable and accrued interest	9,918,224	-	-	9,918,224	(9,918,224)	-
Purchase of management contracts	(213,014)	-	-	(213,014)	-	(213,014)
Contributions to partnerships	(311,293)	-	-	(311,293)	311,293	-
Distributions from partnerships	283,360	-	-	283,360	(283,360)	-
Acquisition of assets	(4,471,462)	-	-	(4,471,462)	4,471,462	-
Cash paid for fixed assets	(395,306)	218,229	(115,526,547)	(115,703,624)	7,088,383	(108,615,241)
Net cash (used in) provided by investing activities	(1,962,388)	2,491,145	(109,434,349)	(108,905,592)	8,319,871	(100,585,721)
Cash flows from financing activities						
Proceeds from line of credit	7,352,798	-	-	7,352,798	-	7,352,798
Payments on line of credit	(5,855,208)	-	-	(5,855,208)	-	(5,855,208)
Proceeds from notes and mortgages payable	8,943,347	5,152,798	72,460,301	86,556,446	(3,160,400)	83,396,046
Payment on notes and mortgages payable	(2,983,829)	(6,563,543)	(6,346,411)	(15,893,783)	-	(15,893,783)
Deferred income	(1,557,458)	-	-	(1,557,458)	1,011,288	(546,170)
Proceeds from contingent deferred purchase obligation	(3,528,039)	-	-	(3,528,039)	-	(3,528,039)
Debt issuance costs paid	(29,166)	(196,626)	(519,171)	(744,963)	-	(744,963)
Syndication and tax credit costs paid	-	-	(346,497)	(346,497)	-	(346,497)
Acquisition costs and fees paid as a component of general partner equity	-	-	(244,194)	(244,194)	244,194	-
Distributions paid to partners	(229,534)	(2,565,172)	(220,430)	(3,015,136)	2,626,303	(388,833)
Partners capital contributions received	-	-	38,551,866	38,551,866	(19,352)	38,532,514
Net cash provided by (used in) financing activities	$ 2,112,911	$ (4,172,543)	$ 103,335,464	$ 101,275,832	$ 702,033	$ 101,977,865

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year ended December 31, 2018

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Net increase in cash and cash equivalents	$ 1,601,743	$ 1,779,678	$ 4,452,167	$ 7,833,588	$ -	$ 7,833,588
Cash and cash equivalents, beginning of year	10,168,584	3,858,905	16,801,332	30,828,821	-	30,828,821
Cash and cash equivalents, end of year	$ 11,770,327	$ 5,638,583	$ 21,253,499	$ 38,662,409	$ -	$ 38,662,409
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 1,572,846	$ 2,024,843	$ 24,027,886	$ 27,625,575	$ -	$ 27,625,575
Schedule of noncash investing activities						
Fixed asset costs incurred	$ 395,306	$ 1,097,807	$ 111,547,260	$ 113,040,373	$ (7,515,263)	$ 105,525,110
Fixed assets assets sold in connection with common control transaction	-	(2,389,588)	-	(2,389,588)	-	(2,389,588)
Accounts payable - development, beginning of year	-	5,025,705	58,090,996	63,116,701	(48,641,445)	14,475,256
Accounts payable - development, end of year	-	(3,952,153)	(54,111,709)	(58,063,862)	49,068,325	(8,995,537)
Cash paid for fixed assets	$ 395,306	$ (218,229)	$ 115,526,547	$ 115,703,624	$ (7,088,383)	$ 108,615,241
Transfer of fixed assets	$ -	$ 12,364,647	$ (12,364,647)	$ -	$ -	$ -
Purchase of GP Interest	$ -	$ (475,658)	$ 7,915,283	$ 7,439,625	$ -	$ 7,439,625
Deferred liability included in residual receipts escrow	$ -	$ -	$ 3,178	$ 3,178	$ -	$ 3,178
Increase in interest on notes receivable for acquistions under common control	$ 486,548	$ -	$ (486,548)	$ -	$ -	$ -
Schedule of noncash financing activities						
Decrease in liabilities due to interest rate swap	$ -	$ (311,119)	$ -	$ (311,119)	$ -	$ (311,119)
Assignment of notes payable and related accrued interest	$ 2,138,106	$ -	-	$ 2,138,106	$ -	$ 2,138,106

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2018

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Current assets					
Cash and cash equivalents	3,203,780	4,652,783	7,856,563	-	7,856,563
Restricted cash	3,913,764	-	3,913,764	-	3,913,764
Restricted reserves	761,995	501,405	1,263,400	-	1,263,400
Accounts receivable					
Grants receivable	207,548	-	207,548	-	207,548
Properties, net of allowance for doubtful accounts	682,473	2,126,952	2,809,425	-	2,809,425
Development fees	-	10,520,310	10,520,310	-	10,520,310
Other	50,298	1,237,719	1,288,017	-	1,288,017
Due from affiliates	402,268	3,823,712	4,225,980	(4,075,673)	150,307
Prepaid expenses	246,185	112,078	358,263	-	358,263
Note receivable, current	2,031,857	-	2,031,857	-	2,031,857
Interest on notes receivable	93,870	2,127,267	2,221,137	-	2,221,137
Predevelopment costs reimbursable, current	7,000,023	-	7,000,023	-	7,000,023
Total current assets	18,594,061	25,102,226	43,696,287	(4,075,673)	39,620,614
Other assets					
Notes receivable, net of discount	20,437,546	118,763,124	139,200,670	-	139,200,670
Investment in companies	55,534,506	-	55,534,506	(55,534,506)	-
Investment in partnerships	16,880,816	-	16,880,816	-	16,880,816
Predevelopment costs reimbursable, net of current	2,708,599	-	2,708,599	-	2,708,599
Other assets	747,792	212,850	960,642	-	960,642
Total other assets	96,309,259	118,975,974	215,285,233	(55,534,506)	159,750,727
Fixed assets					
Rehabilitation in progress	-	298,264	298,264	-	298,264
Furniture, equipment and leasehold improvements	124,553	342,125	466,678	-	466,678
Less: Accumulated depreciation	(120,252)	(190,234)	(310,486)	-	(310,486)
Total fixed assets	4,301	450,155	454,456	-	454,456
Total assets	$ 114,907,621	$ 144,528,355	$ 259,435,976	$ (59,610,179)	$ 199,825,797

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2018

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Liabilities					
Current liabilities					
Accounts payable	$ 383,411	$ 424,137	$ 807,548	$ -	$ 807,548
Accrued expenses	438,004	1,101,652	1,539,656	-	1,539,656
Accounts payable - development	5,260	25,800	31,060	-	31,060
Accrued interest	18,228	11,164	29,392	-	29,392
Loan payable, current	3,483,584	83,213	3,566,797	-	3,566,797
Line of credit, current	-	1,000,659	1,000,659	-	1,000,659
Deferred liabilities, current	-	13,294	13,294	-	13,294
Prepaid revenue	-	17,280	17,280	-	17,280
Due to affiliates	3,869,906	376,580	4,246,486	(4,075,673)	170,813
Total current liabilities	8,198,393	3,053,779	11,252,172	(4,075,673)	7,176,499
Long-term liabilities					
Loans and notes payable, net of current	18,937,215	6,008,542	24,945,757	-	24,945,757
Line of credit, net of current	-	838,678	838,678	-	838,678
Accrued interest payable - notes payable	-	642,295	642,295	-	642,295
Deferred liabilities, net of current	487,429	171,631	659,060	-	659,060
Deferred income	1,401,303	76,561,394	77,962,697	-	77,962,697
Total long-term liabilities	20,825,947	84,222,540	105,048,487	-	105,048,487
Total liabilities	29,024,340	87,276,319	116,300,659	(4,075,673)	112,224,986
Net assets					
Net assets without donor restrictions controlling	80,272,974	55,534,506	135,807,480	(55,534,506)	80,272,974
Net assets without donor restrictions noncontrolling	-	1,717,530	1,717,530	-	1,717,530
Total net assets without donor restrictions	80,272,974	57,252,036	137,525,010	(55,534,506)	81,990,504
Net assets with donor restrictions	5,610,307	-	5,610,307	-	5,610,307
Total net assets	85,883,281	57,252,036	143,135,317	(55,534,506)	87,600,811
Total liabilities and net assets	$ 114,907,621	$ 144,528,355	$ 259,435,976	$ (59,610,179)	$ 199,825,797

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - Core Operating Companies
Year ended December 31, 2018

	POAH INC without donor restrictions	POAH INC with donor restrictions	POAH LLC	Subtotal	Elimination	Total
Support and revenue						
Grant income	$ 301,404	$ 441,064	$ -	$ 742,468	$ -	$ 742,468
Grant income, capital investments	3,069,394	30,000	-	3,099,394	-	3,099,394
Contribution income	4,000	2,250	-	6,250	-	6,250
Developer fee revenue	-	-	15,987,088	15,987,088	-	15,987,088
Cash flow from properties	701,476	-	468,841	1,170,317	-	1,170,317
State tax credit proceeds	-	-	1,012,950	1,012,950	-	1,012,950
Property management and related fees	-	-	8,101,820	8,101,820	-	8,101,820
Reimbursable salaries and expenses	-	-	20,368,370	20,368,370	-	20,368,370
Gain on receipt of mortgage note	-	-	2,293,458	2,293,458	-	2,293,458
Gain on prepayment of notes receivable	-	-	578,976	578,976	-	578,976
Interest income	7,447	-	1,683,342	1,690,789	-	1,690,789
Investment and other income	13,007,800	197,281	(4,852)	13,200,229	(11,222,275)	1,977,954
	17,091,521	670,595	50,489,993	68,252,109	(11,222,275)	57,029,834
Net assets released from restrictions	700,740	(700,740)	-	-	-	-
Total support and revenue	17,792,261	(30,145)	50,489,993	68,252,109	(11,222,275)	57,029,834
Expenses						
Personnel	1,382,585	-	12,982,932	14,365,517	-	14,365,517
Development expense	-	-	1,770,075	1,770,075	-	1,770,075
Professional services	499,473	-	581,891	1,081,364	-	1,081,364
Contributions and grants made	1,597,878	-	9,383	1,607,261	-	1,607,261
Rental	122,367	-	936,600	1,058,967	-	1,058,967
Taxes and insurance	285,865	-	118,156	404,021	-	404,021
Travel and lodging	177,315	-	716,179	893,494	-	893,494
Interest	1,101,248	-	361,808	1,463,056	-	1,463,056
Reimbursable salaries and expenses	-	-	20,368,370	20,368,370	-	20,368,370
Office and administration	147,322	-	1,127,446	1,274,768	-	1,274,768
Depreciation and amortization	14,956	-	70,012	84,968	-	84,968
Community impact	2,590,103	-	-	2,590,103	-	2,590,103
Bad debt expense	-	-	162,281	162,281	-	162,281
Miscellaneous	98,850	-	37,191	136,041	-	136,041
Total expenses	8,017,962	-	39,242,324	47,260,286	-	47,260,286
		-				
Excess of expenses over revenue	9,774,299	(30,145)	11,247,669	20,991,823	(11,222,275)	9,769,548
Excess of expenses over revenue attributable to noncontrolling interests	-	-	25,394	25,394	-	25,394
Excess of revenue over expenses attributable to the Company	$ 9,774,299	$ (30,145)	$ 11,222,275	$ 20,966,429	$ (11,222,275)	$ 9,744,154

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - Core Operating Companies
Year ended December 31, 2018

	Net assets without donor restrictions						Net assets with donor restrictions	
	Controlling				Noncontrolling		Controlling	
	POAH INC	POAH LLC	Eliminations	Subtotal	POAH LLC	Total	POAH INC	Total
Beginning balance, January 1, 2018	$ 69,927,002	$ 46,141,563	$ (46,141,563)	$ 69,927,002	$ 1,921,670	$ 71,848,672	$ 5,640,452	$ 77,489,124
Capital contributions from the Company	-	1,798,995	(1,798,995)	-	-	-	-	-
Distributions to the Company	-	(4,200,000)	4,200,000	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	(229,534)	(229,534)	-	(229,534)
Other changes in equity	571,673	571,673	(571,673)	571,673	-	571,673	-	571,673
Excess of revenue (expenses)	9,774,299	11,222,275	(11,222,275)	9,774,299	25,394	9,799,693	(30,145)	9,769,548
Ending balance, December 31, 2018	$ 80,272,974	$ 55,534,506	$ (55,534,506)	$ 80,272,974	$ 1,717,530	$ 81,990,504	$ 5,610,307	$ 87,600,811

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2018

	POAH, Inc	POAH, LLC	Subtotal	Elimination	Total
Cash flows from operating activities					
Excess of revenue over expenses (expenses over revenue)	$ 9,744,154	$ 11,247,669	$ 20,991,823	$ (11,222,275)	$ 9,769,548
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities					
(Loss) Gain on investment in partnership	(2,023)	5,000	2,977	-	2,977
Investment income	(12,930,507)	-	(12,930,507)	11,222,275	(1,708,232)
Depreciation expense	14,956	70,012	84,968	-	84,968
Amortization of debt issuance costs	15,228	-	15,228	-	15,228
Loss on disposal of fixed assets	1,196,751	-	1,196,751	-	1,196,751
Deferred income	-	(1,207,950)	(1,207,950)	-	(1,207,950)
Changes in					
Accounts receivable	(288,265)	(5,515,888)	(5,804,153)	-	(5,804,153)
Prepaid expenses and other assets	(142,849)	620,428	477,579	-	477,579
Predevelopment costs reimbursable	(1,639,575)	-	(1,639,575)	-	(1,639,575)
Accounts payable and accrued expenses	(307,288)	(87,602)	(394,890)	-	(394,890)
Prepaid and deferred revenues	487,429	206,818	694,247	-	694,247
Due to affiliates, net	2,040,787	(2,076,065)	(35,278)	-	(35,278)
Net cash (used in) provided by operating activities	(1,811,202)	3,262,422	1,451,220	-	1,451,220
Cash flows from investing activities					
Escrow deposits and restricted reserves, net	(3,293)	(456,319)	(459,612)	-	(459,612)
Advances on notes receivable and accrued interest	(1,374,743)	(4,938,542)	(6,313,285)	-	(6,313,285)
Repayments of notes receivable and accrued interest	3,119,060	6,799,164	9,918,224	-	9,918,224
Purchase of management contracts	-	(213,014)	(213,014)	-	(213,014)
Contribution to subsidiary	(1,798,995)	-	(1,798,995)	1,798,995	-
Distributions received from subsidiary	4,200,000	-	4,200,000	(4,200,000)	-
Contributions to partnerships	(311,293)	-	(311,293)	-	(311,293)
Distributions from partnerships	283,360	-	283,360	-	283,360
Acquisition of assets	(4,471,462)	-	(4,471,462)	-	(4,471,462)
Cash paid for fixed assets	-	(395,306)	(395,306)	-	(395,306)
Net cash (used in) provided by investing activities	(357,366)	795,983	438,617	(2,401,005)	(1,962,388)
Cash flows from financing activities					
Proceeds from line of credit	3,290,940	4,061,858	7,352,798	-	7,352,798
Payments on line of credit	(1,738,813)	(4,116,395)	(5,855,208)	-	(5,855,208)
Proceeds from notes payable	8,645,083	298,264	8,943,347	-	8,943,347
Payment on notes payable	(1,811,375)	(1,172,454)	(2,983,829)	-	(2,983,829)
Deferred income	-	(1,557,458)	(1,557,458)	-	(1,557,458)
Contingent deferred purchase obligation	(3,528,039)	-	(3,528,039)	-	(3,528,039)
Debt issuance costs paid	(29,166)	-	(29,166)	-	(29,166)
Contributions from member	-	1,798,995	1,798,995	(1,798,995)	-
Distributions paid to members	-	(4,429,534)	(4,429,534)	4,200,000	(229,534)
Net cash provided by (used in) financing activities	$ 4,828,630	$ (5,116,724)	$ (288,094)	$ 2,401,005	$ 2,112,911

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2018

	POAH, Inc	POAH, LLC	Subtotal	Elimination	Total
Net increase (decrease) in cash and cash equivalents	$ 2,660,062	$ (1,058,319)	$ 1,601,743	$ -	$ 1,601,743
Cash and cash equivalents, beginning of year	4,457,482	5,711,102	10,168,584	-	10,168,584
Cash and cash equivalents, end of year	$ 7,117,544	$ 4,652,783	$ 11,770,327	$ -	$ 11,770,327
Supplemental disclosure of cash flow activities					
Cash paid for interest	$ 1,071,340	$ 501,506	$ 1,572,846	-	$ 1,572,846
Schedule of noncash investing activities					
Increase in interest on notes receivable for acquistions under common control	$ -	$ 486,548	$ 486,548	$ -	$ 486,548
Schedule of noncash financing activities					
Assignment of notes payable and related accrued interest	$ -	$ 2,138,106	$ 2,138,106	$ -	$ 2,138,106

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2018

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Current assets						
Cash & cash equivalents	$ 3,648,900	$ 1,003,883	$ -	$ -	$ -	$ 4,652,783
Restricted reserve	475,605	-	-	25,800	-	501,405
Accounts receivable						
Properties, net of allowance for doubtful accounts	769,261	1,490,441	-	-	(132,750)	2,126,952
Development fees	10,520,310	-	-	-	-	10,520,310
Other	1,142,741	94,978	-	-	-	1,237,719
Due from related parties	3,590,990	257,128	-	-	(24,406)	3,823,712
Prepaid expenses	153	111,925	-	-	-	112,078
Interest on notes receivable	1,831,143	-	296,124	-	-	2,127,267
Total current assets	21,979,103	2,958,355	296,124	25,800	(157,156)	25,102,226
Other assets						
Notes receivable, net of discount	113,898,344	-	4,864,780	-	-	118,763,124
Investment in companies	5,251,074	-	-	-	(5,251,074)	-
Investment in properties	(8,821)	-	-	-	8,821	-
Other assets	31,631	181,219	-	-	-	212,850
Total other assets	119,172,228	181,219	4,864,780	-	(5,242,253)	118,975,974
Fixed assets						
Construction in progress	-	-	-	298,264	-	298,264
Furniture, equipment and leasehold improvements	173,150	168,975	-	-	-	342,125
Less: Accumulated depreciation	(96,085)	(94,149)	-	-	-	(190,234)
Total fixed assets	77,065	74,826	-	298,264	-	450,155
Total assets	$ 141,228,396	$ 3,214,400	$ 5,160,904	$ 324,064	$ (5,399,409)	$ 144,528,355

Preservation of Affordable Housing, Inc and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
December 31, 2018

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Current liabilities						
Accounts payable	$ 167,575	$ 256,562	$ -	$ -	$ -	$ 424,137
Development costs payable	-	-	-	25,800	-	25,800
Accrued expenses	253,982	847,670	-	-	-	1,101,652
Accrued interest	10,268	-	-	896		11,164
Loan payable, current	83,213	-	-	-	-	83,213
Line of credit, current	1,000,659	-	-	-	-	1,000,659
Prepaid revenue	-	17,280	-	-	-	17,280
Deferred liabillity, current	6,865	6,429	-	-	-	13,294
Due to related parties	368,655	24,406	132,750	7,925	(157,156)	376,580
Total current liabilities	1,891,217	1,152,347	132,750	34,621	(157,156)	3,053,779
Long-term liabilities						
Loans payable, net of current portion	5,710,278	-	-	298,264	-	6,008,542
Line of credit, net of current portion	838,678	-	-	-	-	838,678
Accrued interest payable - loans payable	642,295	-	-	-	-	642,295
Deferred liability, net of current	50,028	121,603	-	-	-	171,631
Deferred income	76,561,394	-	-	-	-	76,561,394
Total long-term liabilities	83,802,673	121,603	-	298,264	-	84,222,540
Total liabilities	85,693,890	1,273,950	132,750	332,885	(157,156)	87,276,319
Net assets						
Net assets without donor restrictions controlling	55,534,506	1,940,450	3,310,624	(8,821)	(5,242,253)	55,534,506
Net assets without donor restrictions noncontrolling	-	-	1,717,530	-	-	1,717,530
Total net assets without donor restrictions	55,534,506	1,940,450	5,028,154	(8,821)	(5,242,253)	57,252,036
Total liabilities and net assets	$ 141,228,396	$ 3,214,400	$ 5,160,904	$ 324,064	$ (5,399,409)	$ 144,528,355

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - POAH LLC
Year ended December 31, 2018

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Revenue						
Development and other fee revenue from properties	$ 15,987,088	$ -	$ -	$ -	$ -	$ 15,987,088
Cash flow from properties	601,591	-	-	-	(132,750)	468,841
State tax credit proceeds	1,012,950	-	-	-	-	1,012,950
Property management and related fees	-	8,101,820	-	-	-	8,101,820
Reimbursable salaries and expenes	-	20,368,370	-	-	-	20,368,370
Gain on receipt of mortgage note	2,293,458	-	-	-	-	2,293,458
Gain on prepayment of notes receivable	578,976	-	-	-	-	578,976
Interest income	1,491,044	203	192,095	-	-	1,683,342
Investment and other income	215,916	148	-	-	(220,916)	(4,852)
Total revenue	22,181,023	28,470,541	192,095	-	(353,666)	50,489,993
Expenses						
Personnel	6,906,894	6,076,038	-	-	-	12,982,932
Development expense	1,770,075	-	132,750	-	(132,750)	1,770,075
Professional services	441,564	140,327	-	-	-	581,891
Contributions and grants made	9,383	-	-	-	-	9,383
Rental and utilities	651,640	284,960	-	-	-	936,600
Taxes and insurance	9,121	109,035	-	-	-	118,156
Travel and lodging	230,292	485,887	-	-	-	716,179
Interest expense	352,987	-	-	8,821	-	361,808
Reimbursable salaries and expenes	-	20,368,370	-	-	-	20,368,370
Office and administration	541,452	585,994	-	-	-	1,127,446
Depreciation and amortization	18,552	51,460	-	-	-	70,012
Bad debts	-	162,281	-	-	-	162,281
Miscellaneous	26,788	10,403	-	-	-	37,191
Total expenses	10,958,748	28,274,755	132,750	8,821	(132,750)	39,242,324
Excess of revenue over expenses	11,222,275	195,786	59,345	(8,821)	(220,916)	11,247,669
Excess of revenue over expenses attributable to noncontrolling interests	-	-	(25,394)	-	-	(25,394)
Excess of revenue over expenses attributable to the Company	$ 11,222,275	$ 195,786	$ 33,951	$ (8,821)	$ (220,916)	$ 11,222,275

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - POAH LLC
Year ended December 31, 2018

	Controlling						Noncontrolling	
	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Subtotal	PTLHC	Total
Beginning balance, January 1, 2018	$ 46,141,563	$ 2,331,650	$ 1,144,115	$ -	$ (3,475,765)	$ 46,141,563	$ 1,921,670	$ 48,063,233
Contributions	1,798,995	213,014	1,972,776	-	(2,185,790)	1,798,995	-	1,798,995
Distributions	(4,200,000)	(800,000)	-	-	800,000	(4,200,000)	(229,534)	(4,429,534)
Other changes in net assets	571,673	-	159,782	-	(159,782)	571,673	-	571,673
Excess of revenue (expenses)	11,222,275	195,786	33,951	(8,821)	(220,916)	11,222,275	25,394	11,247,669
Ending balance, December 31, 2018	$ 55,534,506	$ 1,940,450	$ 3,310,624	$ (8,821)	$ (5,242,253)	$ 55,534,506	$ 1,717,530	$ 57,252,036

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - POAH LLC
Year ended December 31, 2018

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Cash flows from operating activities						
Excess of revenue (expenses)	$ 11,222,275	$ 195,786	$ 59,345	$ (8,821)	$ (220,916)	$ 11,247,669
Adjustments to reconcile excess of revenue (expenses) to net cash provided by operating activities						
Loss on investment in partnership	5,000	-	-	-	-	5,000
Investment income	(220,916)	-	-	-	220,916	-
Depreciation and amortization expense	18,552	51,460	-	-	-	70,012
Deferred income	(1,207,950)	-	-	-	-	(1,207,950)
Changes in						
Accounts receivable	(4,540,306)	(679,458)	(296,124)	-	-	(5,515,888)
Prepaid expenses and other assets	(7,401)	627,829	-	-	-	620,428
Accounts payable and accrued expenses	(389,574)	275,276	-	26,696	-	(87,602)
Prepaid revenue and deferred liabilities	61,506	145,312	-	-	-	206,818
Due to affiliates, net	(2,069,166)	(147,574)	132,750	7,925	-	(2,076,065)
Net cash provided by (used in) operating activities	2,872,020	468,631	(104,029)	25,800	-	3,262,422
Cash flows from investing activities						
Restricted reserves, net	(430,519)	-	-	(25,800)	-	(456,319)
Advances on notes receivable and accrued interest	(3,299,329)	-	(1,639,213)	-	-	(4,938,542)
Repayment of notes receivable and accrued interest	6,799,164	-	-	-	-	6,799,164
Purchase of management contracts	-	(213,014)	-	-	-	(213,014)
Contributions to subsidiary	(2,185,790)	-	-	-	2,185,790	-
Distribution from subsidiary	800,000	-	-	-	(800,000)	-
Cash paid for fixed assets	(17,467)	(79,575)	-	(298,264)	-	(395,306)
Net cash provided by (used in) investing activities	1,666,059	(292,589)	(1,639,213)	(324,064)	1,385,790	795,983
Cash flows from financing activities						
Proceeds from line of credit	4,061,858	-	-	-	-	4,061,858
Payments on line of credit	(4,116,395)	-	-	-	-	(4,116,395)
Proceeds from notes payable	-	-	-	298,264	-	298,264
Payment on note payable	(1,172,454)	-	-	-	-	(1,172,454)
Deferred income	(1,557,458)	-	-	-	-	(1,557,458)
Contributions from member	1,798,995	213,014	1,972,776	-	(2,185,790)	1,798,995
Distributions to member	(4,200,000)	(800,000)	(229,534)	-	800,000	(4,429,534)
Net cash (used in) provided by financing activities	(5,185,454)	(586,986)	1,743,242	298,264	(1,385,790)	(5,116,724)

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - POAH LLC
Year ended December 31, 2018

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Net decrease in cash and cash equivalents	(647,375)	(410,944)	-	-	-	(1,058,319)
Cash and cash equivalents, beginning	4,296,275	1,414,827	-	-	-	5,711,102
Cash and cash equivalents, end	$ 3,648,900	$ 1,003,883	$ -	$ -	$ -	$ 4,652,783
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 501,267	$ -	$ -	$ 239	$ -	$ 501,506
Schedule of noncash investing activities						
Assignment of notes receivable and related accrued interest	$ 2,138,106	$ -	$ -	$ -	$ -	$ 2,138,106
Increase in interest on notes receivable for acquisitions under common control	$ 486,548	$ -	$ 159,782	$ -	$ (159,782)	$ 486,548
Schedule of noncash financing activities						
Assignment of notes payable and related accrued interest	$ 2,138,106	$ -	$ -	$ -	$ -	$ 2,138,106

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Agency/ (Pass-through Agency)/ Program Title	Federal CFDA Number	Other award Number	Expenditures: From Pass-through Awards	Expenditures: From Direct Awards	Expenditures: Total Expenditures	Expenditures: Passed through to Subrecipients
Community Development Financial Institutions Fund						
Capital Magnet Fund	21.011	N/A	$ -	$ 4,300,000	$ 4,300,000	$ -
Total Community Development Financial Institutions Fund			-	4,300,000	4,300,000	-
Corporation for National and Community Service						
Social Innovation Fund						
Passed through Local Initiatives Support Corporation	94.019	N/A	164,561	-	164,561	-
Total Social Innovation Fund			164,561	-	164,561	-
Total			$ 164,561	$ 4,300,000	$ 4,464,561	$ -

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of Preservation of Affordable Housing, Inc. and Subsidiaries under various programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Preservation of Affordable Housing, Inc. and Subsidiaries, it is not intended to and does not present the consolidated financial position, statement of activities, functional expenses, changes in net assets, or cash flows of Preservation of Affordable Housing, Inc. and Subsidiaries.

The accounting policies of Preservation of Affordable Housing, Inc. and Subsidiaries conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations" and the principles contained in the Uniform Guidance.

Preservation of Affordable Housing, Inc. and Subsidiaries has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

During 2018, there was no non-cash assistance, or federal insurance.

During 2018, program income of $2,600,000 was received in connection with the Capital Magnet Fund. The total Capital Magnet Fund balance included on the schedule of expenditures of federal awards is $4,300,000.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preservation of Affordable Housing, Inc. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on Compliance for the Major Federal Program

We have audited Preservation of Affordable Housing, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program for the year ended December 31, 2018. Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Preservation of Affordable Housing Inc. and Subsidiaries' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preservation of Affordable Housing Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Preservation of Affordable Housing Inc. and Subsidiaries' compliance.

Opinion on the Major Federal Program

In our opinion, Preservation of Affordable Housing Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of Preservation of Affordable Housing, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Affordable Housing, Inc. and Subsidiaries' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 30, 2019

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2018

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, were prepared in accordance with generally accepted accounting principles.

2. No significant deficiencies related to the audit of the consolidated financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.

3. No instances of noncompliance material to the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.

5. The auditor's report on compliance for the major federal award program for Preservation of Affordable Housing, Inc. and Subsidiaries expresses an unmodified opinion on the major federal program.

6. There are no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.

7. The program tested as a major program was: Capital Magnet Fund (CFDA Number 21.011)

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Preservation of Affordable Housing, Inc. and Subsidiaries was determined to be a low-risk auditee.

B. Findings - Consolidated Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

Summary Schedule of Prior Audit Findings
December 31, 2018

Findings and Questioned Costs - Major Federal Award Programs Audit

Finding 2017-1

Grantor: Community Development Financial Institutions Fund
Federal Program Name: Capital Magnet Fund
CFDA Number: 21.011

Criteria
Internal controls should be designed, documented and implemented to ensure that the Project-Level Targeted Income requirements are met. At least twenty percent (20%) of the units in each rental project produced or supported by eligible project costs of the Capital Magnet Fund ("CMF") are for very low-income (at or below 50% AMI) or extremely low-income (at or below 30% AMI) families. A certification listing by property should be maintained and updated on a regular basis as tenant certifications are completed so the number and percentage of very low-income or extremely low-income families are accurate.

Condition
During our test of forty (40) selections from units produced or supported by the CMF it was noted that one (1) selection was listed as a very low income household (50% AMI). The certification provided from the tenant's lease file dated October 2017 showed that the tenant did not meet the very low income requirement. The certification listing was not updated to remove the household as a very low income household until March 2018.

Cause
Multiple subsidies exist on the projects supported by the CMF and the certification listing was not updated for one household out of forty households selected for testing.

Effect or Potential Effect
The certification listing may not be accurate and project-level targeted income percentages may not be accurate.

Recommendation
POAH should enhance their policies and procedures to ensure that internal controls are designed, documented and implemented to ensure that the Project-Level Targeted Income percentages are accurate by updating the certification listing on a regular basis as tenant income certifications are completed.

Reporting Views of Responsible Officials
The household that was tested resides at a property which uses a bifurcated recertification system for HUD and LIHTC programs. The change in the household's income was found by management during the LIHTC certification process but it failed to use the revised information to update the certification listing. Management is working on a process to combine the recertification process to jointly track HUD and LIHTC certifications and to update the certification listing after every certification.

Current Status
Cleared.

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Accounting • Tax • Advisory

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Financial Statements (With Supplementary Information) and Single Audit Report and Independent Auditor's Report

December 31, 2017 and 2016

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Accounting • Tax • Advisory

Preservation of Affordable Housing, Inc. and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain Subsidiaries, which statements reflect total assets of $169,603,088 and $172,893,590 as of December 31, 2017 and 2016, respectively, and total revenues of $29,587,057 and $26,005,972 , respectively, for the years then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiaries, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CohnReznick

Opinion

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Preservation of Affordable Housing, Inc. and Subsidiaries as of December 31, 2017 and 2016, and the results of their activities, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2017 supplementary information on pages 34 to 46 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting and compliance.

CohnReznick LLP

Boston, Massachusetts
June 29, 2018

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2017 and 2016

Assets

	2017	2016
Current assets		
Cash and cash equivalents	$ 29,596,060	$ 28,849,287
Restricted cash	1,232,761	448,651
Restricted reserves	803,788	757,016
Accounts receivable		
Rental - tenants and subsidy	1,745,031	1,471,254
Grants receivable	219,231	1,758,063
Properties, net of allowance for doubtful accounts	21,861	4,060
Other	2,203,759	859,268
Escrow deposits	76,169,458	87,018,066
Tenant security deposits	3,148,423	3,057,100
Prepaid expenses	1,640,267	1,557,733
Predevelopment costs reimbursable, current	6,836,255	2,550,840
Total current assets	123,616,894	128,331,338
Other assets		
Notes receivable, net of discount	8,407,000	8,407,000
Investment in partnerships	5,000	405,778
Predevelopment costs reimbursable, net of current	2,808,892	2,710,242
Other assets	4,282,450	3,742,475
Total other assets	15,503,342	15,265,495
Fixed assets		
Land and buildings	929,918,113	899,704,356
Rehabilitation in progress	23,095,661	13,252,781
Furniture, equipment and leasehold improvements	15,029,076	14,375,773
Less: Accumulated depreciation	(163,826,938)	(145,143,631)
Total fixed assets	804,215,912	782,189,279
Total assets	$ 943,336,148	$ 925,786,112

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2017 and 2016

Liabilities and Net Assets

	2017	2016
Liabilities		
Current liabilities		
Accounts payable	$ 4,838,688	$ 5,503,938
Accrued expenses	9,257,174	7,789,157
Accounts payable - development	14,475,723	11,954,612
Accrued interest	1,949,636	1,855,763
Mortgages payable - properties, current	8,001,058	7,706,641
Construction loans - properties, current	18,936,392	17,498,016
Loan payable, current	4,611,049	5,038,137
Line of credit, current	1,493,874	694,181
Deferred liabilities, current	6,865	-
Tenant security deposits	3,006,619	2,884,503
Prepaid revenue	1,216,201	947,697
Due to affiliates	1,102,989	269,029
Total current liabilities	68,896,268	62,141,674
Long-term liabilities		
Loans and notes payable, net of current	14,572,254	15,094,706
Line of credit, net of current	400,000	-
Accrued interest payable - notes payable	486,924	408,280
Notes payable and accrued interest - properties	157,278,828	161,739,059
Mortgages payable - properties, net of current	450,271,267	448,461,636
Contingent deferred purchase obligation	3,528,039	3,727,897
Interest rate swap	1,156,826	1,562,385
Deferred liabilities, net of current	39,222	-
Deferred income	8,420,381	8,586,894
Total long-term liabilities	636,153,741	639,580,857
Total liabilities	705,050,009	701,722,531
Net assets		
Unrestricted controlling	32,280,322	29,333,083
Unrestricted noncontrolling	200,365,365	193,483,599
Total unrestricted net assets	232,645,687	222,816,682
Temporarily restricted net assets	5,640,452	1,246,899
Total net assets	238,286,139	224,063,581
Total liabilities and net assets	$ 943,336,148	$ 925,786,112

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2017 and 2016

	Unrestricted	Temporarily Restricted	Total 2017	Total 2016
Support and revenue				
Rental income	$ 115,117,740	$ -	$ 115,117,740	$ 110,069,609
Grant income	3,185,859	1,437,962	4,623,821	4,359,932
Grant income, capital investments	8,656,892	4,300,000	12,956,892	4,250,338
Contribution income	-	25,250	25,250	57,150
Developer fee revenue	2,098,874	-	2,098,874	755,053
State tax credit proceeds	3,576,072	-	3,576,072	4,209,182
Property management and accounting	30,829	-	30,829	39,793
Gain on receipt of mortgage note	494,825	-	494,825	-
Interest income	671,139	-	671,139	510,827
Loss on investment in partnership	(212,192)	-	(212,192)	(50,249)
Investment and other income	6,257,527	-	6,257,527	4,026,127
	139,877,565	5,763,212	145,640,777	128,227,762
Net assets released from restrictions	1,369,659	(1,369,659)	-	-
Total support and revenue	141,247,224	4,393,553	145,640,777	128,227,762
Expenses				
Personnel	12,795,410	-	12,795,410	11,334,525
Development expense	1,246,389	-	1,246,389	1,517,100
Professional services	1,054,254	-	1,054,254	1,320,334
Contributions and grants made	2,059,344	-	2,059,344	1,538,882
Rental	925,178	-	925,178	861,736
Taxes and insurance	364,399	-	364,399	349,225
Travel and lodging	836,469	-	836,469	662,373
Interest	1,090,527	-	1,090,527	1,254,052
Property operations	72,504,501	-	72,504,501	66,306,385
Property mortgage interest	28,522,988	-	28,522,988	30,128,471
Impairment loss	10,521,964	-	10,521,964	-
Office and administration	983,903	-	983,903	927,564
Depreciation and amortization	21,692,534	-	21,692,534	20,510,717
Community impact	2,900,737	-	2,900,737	2,742,231
Bad debt expense	36,904	-	36,904	14,183
Miscellaneous	155,325	-	155,325	174,679
Total expenses	157,690,826	-	157,690,826	139,642,457
Excess of (deficiency) revenue over expenses	(16,443,602)	4,393,553	(12,050,049)	(11,414,695)
Excess of expenses over revenue attributable to noncontrolling interests	(17,805,470)	-	(17,805,470)	(16,308,509)
Excess of revenue over expenses attributable to the Company	$ 1,361,868	$ 4,393,553	$ 5,755,421	$ 4,893,814

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses
Years Ended December 31, 2017 and 2016

	2017				2016
	Program services	Management and general	Fundraising	Total	Total
Personnel	$ 10,772,855	$ 1,698,437	$ 324,118	$ 12,795,410	$ 11,334,525
Development expense	1,246,389	-	-	1,246,389	1,517,100
Professional services	1,054,254	-	-	1,054,254	1,320,334
Contributions and grants made	2,059,344	-	-	2,059,344	1,538,882
Rental	778,937	122,806	23,435	925,178	861,736
Taxes and insurance	306,799	48,370	9,230	364,399	349,225
Travel and lodging	836,469	-	-	836,469	662,373
Interest	1,090,527	-	-	1,090,527	1,254,052
Property operations	72,504,501	-	-	72,504,501	66,439,327
Property mortgage interest	28,522,988	-	-	28,522,988	30,128,471
Impairment loss	10,521,964	-	-	10,521,964	-
Office and administration	828,379	130,601	24,923	983,903	794,622
Depreciation and amortization	21,692,534	-	-	21,692,534	20,510,717
Community impact	2,900,737	-	-	2,900,737	2,742,231
Bad debt expense	36,904	-	-	36,904	14,183
Miscellaneous	130,774	20,618	3,934	155,325	174,679
	155,284,355	2,020,832	385,640	157,690,826	$ 139,642,457

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2017 and 2016

	Unrestricted net assets			Temporarily restricted net assets	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2016	$ 25,311,168	$ 166,685,573	$ 191,996,741	$ 375,000	$ 192,371,741
Capital contributions from noncontrolling interests	-	43,222,449	43,222,449	-	43,222,449
Distributions to noncontrolling interests	-	(98,414)	(98,414)	-	(98,414)
Noncontrolling interests' syndication costs	-	(17,500)	(17,500)	-	(17,500)
Excess of expenses over revenue attributable to noncontrolling interests	-	(16,308,509)	(16,308,509)	-	(16,308,509)
Excess of revenue over expenses attributable to the Company	4,021,915	-	4,021,915	871,899	4,893,814
Ending balance, December 31, 2016	29,333,083	193,483,599	222,816,682	1,246,899	224,063,581
Increase due to purchase of noncontrolling interests	199,858	-	199,858	-	199,858
Capital contributions from noncontrolling interests	-	26,333,518	26,333,518	-	26,333,518
Distributions to noncontrolling interests	-	(180,769)	(180,769)	-	(180,769)
Noncontrolling interests' syndication costs	-	(80,000)	(80,000)	-	(80,000)
Other changes in equity	1,385,513	(1,385,513)	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	(17,805,470)	(17,805,470)	-	(17,805,470)
Excess of revenue over expenses attributable to the Company	1,361,868	-	1,361,868	4,393,553	5,755,421
Ending balance, December 31, 2017	$ 32,280,322	$ 200,365,365	$ 232,645,687	$ 5,640,452	$ 238,286,139

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Excess of expenses over revenue	$ (12,050,049)	$ (11,414,695)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities		
Loss on investment in partnership	(44,222)	50,249
Depreciation and amortization	23,110,060	21,789,795
Effective interest adjustment	1,554,673	2,072,289
Change in fair market value of interest rate swaps	(405,559)	(448,994)
Loss on sale of properties	(4,722)	(106,779)
Impairment loss	10,521,964	-
Forgiveness of debt	(574,311)	(574,311)
Deferred income	(3,576,072)	(2,854,819)
Changes in		
Accounts receivable	1,396,637	(710,636)
Prepaid expenses and other assets	(496,358)	(624,337)
Predevelopment costs reimbursable	(4,635,065)	(551,934)
Accounts payable, accrued expenses and deferred compensation costs	924,123	2,296,905
Prepaid and deferred revenues	(339,270)	163,187
Tenant security deposits, net	30,793	(11,042)
Due to affiliates, net	(588,952)	(57,016)
Net cash provided by operating activities	14,823,670	9,017,862
Cash flows from investing activities		
Escrow deposits and restricted reserves, net	10,801,836	(4,310,943)
Advances on notes receivable and accrued interest	-	(8,407,000)
Investment in partnership	(5,000)	(456,027)
Cash paid for fixed assets	(46,937,128)	(58,214,972)
Net cash used in investing activities	(36,140,292)	(71,388,942)
Cash flows from financing activities		
Proceeds from line of credit	1,493,874	1,700,000
Payments on line of credit	(294,181)	(1,300,000)
Proceeds from notes and mortgages payable	44,674,690	105,349,191
Payment on notes and mortgages payable	(46,135,386)	(82,107,818)
Deferred income	(1,642,866)	(329,307)
Finance fees paid	(791,831)	(2,189,793)
Syndication costs paid	(609,544)	(17,500)
Distributions paid to minority partners	(180,769)	(98,414)
Minority partners' capital contributions received	26,333,518	41,165,351
Net cash provided by financing activities	$ 22,847,505	$ 62,171,710

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Net increase (decrease) in cash and cash equivalents	$ 1,530,883	$ (199,369)
Cash and cash equivalents, beginning of year	29,297,938	29,497,307
Cash and cash equivalents, end of year	$ 30,828,821	$ 29,297,938
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 27,224,301	$ 28,376,313
Schedule of noncash investing activities		
Fixed asset costs incurred	$ 136,106,187	$ 100,035,829
Fixed assets assets sold in connection with common control transaction	(12,670,474)	(29,579,902)
Accounts payable - development, beginning of year	99,094,999	86,854,045
Accounts payable - development, end of year	(111,758,145)	(99,095,000)
Cash paid for fixed assets	$ 110,772,568	$ 58,214,972
Deferred liability included in residual receipts escrow	$ 204	$ 78
Contribution of notes receivable	$ 4,990,360	$ 2,543,905
Increase from purchase in non-controlling interest	$ 199,585	$ -
Schedule of noncash financing activities		
Increase in liabilities due to interest rate swap	$ 405,559	$ 575,824

See Notes to Consolidated Financial Statements.

Note 1 - Organization

Preservation of Affordable Housing, Inc., ("POAH" or the "Company") was created to do exactly what its name suggests, preserve affordable housing stock. The Company is dedicated to the acquisition of and long-term ownership and operation of existing affordable housing properties.

The Company conducts its development and property management business through Preservation of Affordable Housing, LLC ("POAH LLC") and its wholly owned subsidiary, POAH Communities, LLC ("POAHC LLC"). The Company is located in Boston, Massachusetts, Kansas City, Missouri, Chicago, Illinois and Washington, DC.

At December 31, 2017, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 101 entities that own, in the aggregate 9,307 units of affordable housing. POAH LLC is the managing member of POAH/Trinity Loan Holding Company, LLC (“PTLHC”). At December 31, 2016, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 94 entities that own, in the aggregate 8,959 units of affordable housing.

Note 2 - Summary of significant accounting policies

Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the Company and its core operating subsidiaries, POAH LLC, POAHC LLC and PTLHC. The statements include those 34 entities in which the Company has a 100% ownership interest. Additionally, in accordance with ASC-810-20, "Control of Partnership and Similar Entities", as described below, the statements include the assets, liabilities, net assets and financial activities of 67 entities in which POAH or affiliates serve as General Partner or Managing Member.

The accompanying 2017 and 2016 consolidated financial statements include the assets, liabilities, equity and financial activities of those limited partnerships and limited liability companies where the Company generally owns a .01 - 1% general partner or managing member interest and represent all properties in which POAH or affiliates act as general partner or managing member and in which third party investors have substantial economic interests. All significant inter-company balances and transactions between the Company and the entities have been eliminated in consolidation. Unrestricted noncontrolling net assets on the accompanying consolidated financial statements reflects the proportional share of equity and operations that is not attributable to the Company's interest in these entities. The limited partnerships and limited liability companies are detailed in note 15.

Financial statement presentation

Under ASC-958-205, "Not-for-Profit Entities, Presentation of Financial Statements", the Company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2017, $5,640,452 of the Company's net assets are classified as temporarily restricted. As of December 31, 2016, $1,246,899 of the Company's net assets are classified as temporarily restricted.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Depreciation
Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated asset lives. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the permanent mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense on the consolidated statement of activities and is computed using an imputed interest rate on the related loan.

Tax credit and in-place leases
Tax credit compliance monitoring fees are costs related to obtaining low-income housing tax credits, which are being amortized over the mandatory 15-year compliance period. In-place leases are amortized over one year. Unamortized tax credit fees and in-place leases are included in other assets on the consolidated statement of financial position. Amortization expense for the years ended December 31, 2017 and 2016 totaled $446,965 and $536,039, respectively, and accumulated amortization totaled $2,997,470 and $2,550,505, respectively.

Estimated amortization expense for each of the ensuing five years through December 31, 2022 is as follows:

Years	Wholly Owned (1)	LP (2)	Total
2018	$ 7,259	$ 237,661	$ 244,920
2019	7,259	207,863	215,122
2020	7,259	206,156	213,415
2021	7,259	204,523	211,782
2022	7,259	203,171	210,430

(1) Entities wholly-owned by POAH
(2) Entities controlled by POAH or subsidiaries

Accounts receivable
Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Grants receivable
Grants receivable represents costs incurred on cost reimbursable grants that will be billed after December 31, 2017. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2017, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Contribution revenue
In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

Predevelopment costs
The Company carries all third party costs associated with the potential acquisition of investment properties as predevelopment costs reimbursable. Costs associated with potential acquisitions that are not deemed probable to be recovered are expensed.

Noncontrolling interests
The Company purchased Housing Investments, Inc's ("HII") noncontrolling 50% share of POAH LLC on January 12, 2012 (see Note 18). At both December 31, 2017 and 2016, eliminations related to the noncontrolling interests total ($13,048,858). Noncontrolling interest in POAH LLC represents the proportional share of equity and operations of PTHLC that is not attributable to POAH LLC's interest in the entity. At December 31, 2017 and 2016, the noncontrolling member's interest totals $1,921,670 and $2,057,098, respectively. Noncontrolling interest in the project limited partnerships and limited liability companies represents various investor limited partners and members proportionate share of equity in the project limited partnerships and limited liability companies. At December 31, 2017 and 2016, the noncontrolling partners'/members' interest in the project limited partnerships and limited liability companies were approximately 99.99% and total $211,492,553 and $204,475,359, respectively. Income is allocated to noncontrolling interest based on the noncontrolling partners'/members' ownership.

Investments in partnership
POAH LLC's investments in limited partnerships are accounted for under the equity method of accounting as POAH LLC does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for POAH LLC's share of undistributed earnings or losses.

Tax status
The Company is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and did not have any unrelated business income for the years ended December 31, 2017 and 2016. No provision or benefit for income taxes has been included in these consolidated financial statements for POAH LLC, POAHC LLC, PTLHC LLC and the entities controlled by POAH or an affiliate since the limited liability companies are either disregarded entities of POAH and thus POAH is treated for tax purposes as having earned all of the income and incurred all of the losses directly of those limited liability companies, or the limited liabilities companies are treated as partnerships and thus all of their net taxable profit or loss is passed through to the partners, including POAH. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2014 remain open.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses

Expenses are charged directly to program, management and general or fundraising categories based on specific identification. Certain expenses have been allocated based on salary expenditures.

Accounting for the impairment of long-lived assets

The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. During the year ended December 31, 2017, an impairment loss was recorded on one property in the amount of $10,521,964. No impairment loss has been recognized during the year ended December 31, 2016.

Developer fee revenue

Development fees are recognized as revenue when amounts are earned according to the development services agreements and in accordance with ASC-360-20, "Real Estate Sales." Amounts receivable from surplus cash of the properties are not recorded until such time as there is available surplus cash.

Other fee revenue from properties

Other fees from properties are earned in accordance with property partnership agreements. Fees payable from surplus cash of the properties are recorded at such time as there is available surplus cash. These fees earned from consolidated properties are eliminated in consolidation.

Property management fees

Property management fees are recognized as revenue when amounts are earned according to the management agreements. Fees earned from consolidated properties are eliminated in consolidation.

Rental income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

State credit proceeds

State credit proceeds are recognized as revenue over one to five years, the period that the state tax credit is recognized by the investor.

Derivatives

Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Effective January 1, 2010, this guidance was codified into ASC-815-10 "Derivatives and Hedging." The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value.

Fair value measurement

The Financial Accounting Standards Board's ("FASB") guidance on fair value measurements requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. FASB's guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Fair value is the price the Partnership would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Partnership's market assumptions. Preference is given to observable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. FASB's guidance requires the use of observable data if such data is available without undue costs and effort.

The fair value hierarchy under the guidance is as follows:

- Level 1 - quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

- Level 2 - quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and

- Level 3 – prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Reclassifications

Certain items from the prior year financial statements have been reclassified to conform to the current year presentation.

Note 3 - Notes receivable

The Company, as the sponsor of the entities that own the affordable housing developments, holds various notes receivable from the entities. Certain notes were contributed to the Company by the Department of Housing and Urban Development ("HUD") in connection with Mark-to-Market restructuring. The notes bear interest at various rates, are generally secured but subordinate to the first mortgages on the properties and are payable from available cash flow. The notes, at the time of receipt by the Company, were recorded at a discount rate reflecting the present value of future projected cash flows. The discount rate was 17% for notes received prior to 2005 and 20% for notes received thereafter. The interest income that is received by the Company is recorded based on the amortization schedules at the discounted note values. Payments received in excess of the amortization schedules are recorded to income in the year of the excess payment.

Other loans have been originated by the Company and were funded by reserves or represent seller financing provided to the affordable housing development. Management has established an allowance for amounts deemed uncollectible in the amount of $3,174,052 as of December 31, 2017 and 2016.

A summary of the notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2017	Balance at December 31, 2016
Mark-to-market loans, bearing interest from 1% to 5.5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2034.	$ 4,770,637	$ 4,770,637
Resale loans, bearing interest from 2.64% to 12%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061.	52,908,670	53,081,582
Reserve loans, bearing interest from 0% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058.	23,153,227	21,863,552
State tax credit loans, bearing interest from 0% to 4%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	24,570,566	20,936,816
Grant fund loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061.	21,271,951	8,003,912
Deferred developer fee loans, bearing interest from 2.62% to 5.09%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055.	555,000	555,000
Other loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	19,748,568	20,087,590
Seller loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	6,860,754	7,133,964
Accrued interest	3,377,881	3,035,604
	157,217,254	139,468,657
Eliminated in consolidation	(148,810,254)	(131,061,657)
	$ 8,407,000	$ 8,407,000

The Company only records accrued interest receivable to the extent that payment is expected from the properties from available surplus cash. Interest of $18,847,884 and $16,521,427 for 2017 and 2016, respectively, has not been recorded in these financial statements because no assurance can be made that it will be paid.

Gains from the excess payments over the loan principal and accretion of market discounts is $578,908 and $948,428, respectively, for the years ended December 31, 2017 and 2016. The effects of these transactions have been eliminated in consolidation each year.

In 2014 a change was implemented relating to properties purchased and controlled by entities wholly owned by the Company and subsequently sold to limited partnerships ("LP's") where the Company retains a general partner or controlling interest. Under common control accounting guidance, the acquired assets on the acquiring entity's books are recorded at the net book value as reflected on the selling entity's books at the date of the acquisition and not at the fair value as determined by an appraisal. The net book value is typically less than the fair value purchase price of the acquired assets.

In prior years the fair value gain on sale was recognized by the Company or POAH LLC as a seller note receivable and related deferred gain. The change in guidance, effective for the year ending December 31, 2014, precludes recording these notes and deferred gain on the Company's consolidated statement of financial position or POAH LLC's balance sheet.

During 2017 and 2016, notes receivable totaling $17,090,405 and $17,108,337, respectively, are assets of POAH LLC, however they are not reflected as a component of notes receivable on the consolidated statement of financial position because they represent notes receivable related to acquisitions under common control. POAH LLC records cash payments on such notes receivable and interest income as a component of equity. At December 31, 2017 and 2016, interest income in the amount of $92,838 and $0, respectively, is recorded as a component of equity. At December 31, 2017 and 2016, principal payments in the amount of $17,932 and $0, respectively, is recorded as a component of equity and is eliminated in consolidation.

A summary of these common control notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2017	Balance at December 31, 2016
Resale loans, bearing interest from 1.95% to 7%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058.	$ 16,315,413	16,333,345
Reserve loans, bearing interest from 3.2% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055.	774,992	774,992
Accrued interest	46,103	49,895
	17,136,508	17,158,232
Common control assets not recorded	(17,090,405)	(17,108,337)
Eliminated in consolidation	(46,103)	(49,895)
	$ -	$ -

Note 4 – Loans and notes payable

Calvert Social Investment Foundation
In December 2015, the Company entered into a loan commitment for $8,000,000 with Calvert Social Investment Foundation for the purpose of furthering its activities as a non-profit organization engaged in community economic development. Interest accrues at the rate of 4.5% per annum. Payments of interest are due quarterly in arrears with the first principal payment with any accrued and unpaid interest due July 31, 2018 and the second principal payment with any accrued and unpaid interest due December 31, 2022. In June 2018, the maturity of the first principal payment was extended to January 21, 2019. At December 31, 2017 and 2016 the outstanding principal balance is $8,000,000, respectively. Accrued and unpaid interest at December 31, 2017 and 2016 is $0.

Local Initiatives Support Corporation ("LISC")
In July 2012, the Company entered into a $5,000,000 line of credit (loan) with LISC for the purpose of funding predevelopment costs. The line is collateralized by the mortgage note receivable from Hawthorne. Interest accrues at the rate of 6% per annum and is due monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project at the earliest to occur of closing of construction financing, refinancing, the eighteen month anniversary following disbursement of funds or the maturity date of October 2017. In May 2017, the line was increased to $6,500,000 and the maturity date was extended to October 2022. At December 31, 2017 and 2016 the outstanding principal balance is $2,247,506 and $1,376,885, respectively. Accrued and unpaid interest at December 31, 2017 and 2016 is $0.

Life Insurance Community Investment Initiative, LLC
In May 2014, the Company entered into a $1,500,000 revolving line of credit with Life Insurance Community Investment Initiative, LLC for the purpose of funding predevelopment costs for properties in Massachusetts. Interest accrues at 6.5% and is due quarterly. Payments of principal are due at the closing of the acquisition of the properties. All unpaid principal and accrued interest was due on the maturity date May 29, 2019. Disbursements that are repaid can be reborrowed, assuming loan criteria are met. The line is collateralized by the mortgage note receivable from Fairweather. At December 31, 2017 and 2016 the outstanding principal balance is $1,000,000 and $550,000, respectively. Accrued and unpaid interest at December 31, 2017 and 2016 is $0 and $8,937, respectively.

Low Income Investment Fund
In June 2015, the Company entered into a $5,000,000 loan commitment with Low Income Investment Fund (“LIIF”) for the purpose of funding predevelopment costs. The loan is collateralized by the mortgage note receivable from Blackstone. Interest accrues at the rate equal to the greater of the 5-year United States Treasury Rate plus 500 basis points or 6.25% per annum. Payments of interest are due monthly and payments of principal and unpaid interest are due at the earlier of the closing and funding of any construction or permanent financing of the project loan or five year anniversary of the first day of the first full month following the closing date. At December 31, 2017 and 2016 the outstanding principal balance is $1,141,592 and $1,773,590, respectively. Accrued and unpaid interest at December 31, 2017 and 2016 is $0.

Boston Community Loan Fund, Inc.
In December 2014, POAH LLC entered into a $2,000,000 line of credit agreement with Boston Community Loan Fund, Inc. for the purpose of funding energy conservation improvements. Interest accrues at 5% and is payable monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project five years after the issuance of a term

note. Funds can be drawn until February 28, 2017. At December 31, 2017 and 2016, the outstanding principal balance is $327,401 and $511,902, respectively.

Annual maturities of debt for the ensuing three years as of December 31, 2017 are summarized as follows:

2018	$ 226,290
2019	83,517
2020	17,594

Life Initiative
In July 2015, POAH LLC entered into a $2,407,000 loan agreement with Life Insurance Community Investment Initiative, LLC for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 7% compounded annually. Payments of principal and accrued interest are due annually in the amount of 80% of deferred development fee payments received from Briston Arms. All unpaid principal and accrued interest is due on the maturity date of July 6, 2023. The loan proceeds have been loaned to Briston Arms. At December 31, 2017 and 2016, the outstanding principal is $2,407,000 and accrued interest is $247,191 and $264,547, respectively.

Cambridge Affordable Housing Trust
In July 2015, POAH LLC entered into a $2,400,000 loan agreement with Cambridge Affordable Housing Trust for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 4% per annum. Payments of principal and accrued interest are due annually in an amount equal to the EV Income Payments as defined in the agreement. After full repayment of the Life Initiatives note, all unpaid principal and accrued interest is due on the maturity date of June 30, 2035. The loan proceeds have been loaned to Briston Arms. At December 31, 2017 and 2016, the outstanding principal is $2,400,000 and accrued interest is $239,733 and $143,733, respectively.

Debt issuance costs
As of December 31, 2017, unamortized debt issuance costs related to the loans of $67,949 consist of financing costs of $240,660 less accumulated amortization of $172,711. As of December 31, 2016, unamortized debt issuance costs related to the loans of $52,199 consist of financing costs of $203,160 less accumulated amortization of $150,961. For the years ended December 31, 2017 and 2016, $21,750 and $47,100 of amortization was incurred and is included in interest expense on the consolidated statements of activities.

Loan balances

The balances as included in the accompanying consolidated statement of financial position as of December 31, 2017 and 2016 are summarized as follows:

Lender	Current Portion	Long-term Portion	Total Balance at December 31, 2017	Current Portion	Long-term Portion	Total Balance at December 31, 2016
LISC	$ 1,957,006	$ 290,500	$ 2,247,506	$ 1,376,885	$ -	$ 1,376,885
Life Initiative	700,000	300,000	1,000,000	-	550,000	550,000
Calvert	-	8,000,000	8,000,000	-	8,000,000	8,000,000
LIIF	-	1,141,592	1,141,592	1,773,590	-	1,773,590
BCLF - LLC	226,290	101,111	327,401	344,849	167,053	511,902
Life Initiative - LLC	-	2,407,000	2,407,000	-	2,407,000	2,407,000
CAHT - LLC	-	2,400,000	2,400,000	-	2,400,000	2,400,000
HII (1)	1,727,753	-	1,727,753	1,552,477	1,613,188	3,165,665
	$ 4,611,049	$ 14,640,203	$ 19,251,252	$ 5,047,801	$ 15,137,241	$ 20,185,042

(1) See Note 16

The Company entered into several note agreements in 2012 with HII as part of the purchase of POAH LLC (see Note 18).

Note 5 - Loan facility

In December 2005, the Company entered into a $10 million loan agreement with the Prudential Insurance Company of America. Under the Prudential loan facility, the Company had the right to draw advances for the direct ownership and long term warehousing of multifamily properties through December 2012.

At December 31, 2011, $3,000,000 was advanced from the loan facility to purchase POAH Brandy Hill LLC ("PBH LLC"), a 132-unit property in E. Wareham, MA. This loan beared interest at 3.43% per annum and was secured by an economic interest in the property. The Company had guaranteed 15% of the PBH LLC loan advance. Principal payments may be deferred until December 1, 2016. The loan was repaid in full on October 27, 2016.

Note 6 - Line of credit - Boston Private Bank

In January 2013, POAH LLC entered an agreement for a revolving demand line of credit note with Boston Private Bank & Trust Company. The line of credit is not to exceed $1,500,000 and matured on January 16, 2017. The line was increased to $3,500,000 in February 2016 and the maturity date was extended to January 16, 2019. In 2017 the maturity date was further extended to May 8, 2019. The note accrues interest equal to the Prime Rate with a floor of 3.25% (4.50% and 3.75% at December 31, 2017 and 2016, respectively) and is payable monthly. The line is collateralized by the mortgage notes receivable from Bridle Path, Chestnut Gardens, Dom Narodowy and Eastgate. During 2017 and 2016, interest expense of $29,269 and $55,507, respectively, was recorded on the consolidated statements of activities. At December 31, 2017 and 2016, $1,893,874 and $694,181, respectively, are outstanding on the line. Accrued and unpaid interest at December 31, 2017 and 2016 is $7,357 and $6,260, respectively.

Note 7 - Mortgages payable - properties

The Company receives financing for the affordable housing properties from various federal, state and local agencies and financial institutions. These loans are nonrecourse to the Company and are secured by mortgages on the properties. Some of the mortgages also require monthly remittances for escrows and reserves.

The entities in which the Company owns a general partner or managing member interest have outstanding mortgage loans and notes payable. Generally, the loans are secured by security interests and liens common to mortgage loans on the entities' real property and other assets and are nonrecourse to the Company. Such loans bear interest at rates ranging from approximately 0% to 13.125% per annum. The majority of the first mortgage loans require monthly payments of principal and interest, while some of the subordinate loans are only payable from available cash flow and/or deferred to maturity. The mortgages mature in years from 2031 to 2065. For those mortgages payable to POAH or an affiliate, the effect of the loan has been eliminated in the consolidation for each year.

A summary of the mortgages and notes payable at year-end is as follows:

	Balance at December 31, 2017	Balance at December 31, 2016
Permanent conventional loans, bearing compounded interest from 2.813% to 7.25%, generally with principal and interest due monthly, to be repaid in full on various maturity dates through 2049	$ 52,012,395	$ 65,630,927
Federal, state and local agency loans, bearing interest from 0% to 12.625%, generally with principal and interest due monthly or payable from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2049.	28,105,747	19,884,313
Other loans, bearing interest from 4.5% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2031.	6,726,107	3,275,640
Accrued interest	719,472	616,115
	87,563,721	89,406,995
Unamortized debt issuance costs	(596,380)	(802,585)
Wholly owned entities	86,967,341	88,604,410
Entities controlled by POAH or affiliates	734,281,036	696,968,442
	821,248,377	785,572,852
Mortgages and notes eliminated in consolidation	(186,702,505)	(150,167,500)
	$ 634,545,872	$ 635,405,352

During the years ended December 31, 2017 and 2016, amortization expense incurred on debt issuance costs was $1,532,922 and $2,025,189, respectively, and was included in property mortgage interest in the consolidated statements of activities. A summary of the mortgages payable and related deferring financing costs is as follows:

	Wholly Owned	LP	Total Balance at December 31, 2017	Wholly Owned	LP	Total Balance at December 31, 2016
Mortgages payable less unamortized debt issuance costs	$ 52,745,666	$ 405,526,659	$458,272,325	$ 60,483,545	$ 395,684,732	$456,168,277
Debt issuance costs	$ 1,333,335	$ 17,663,737	$ 18,997,072	$ 1,455,920	$ 16,919,406	$ 18,375,326
Less: accumulated amortization	(736,955)	(5,789,586)	(6,526,541)	(653,335)	(4,807,050)	(5,460,385)
Unamortized debt issuance costs	$ 596,380	$ 11,874,151	$ 12,470,531	$ 802,585	$ 12,112,356	$ 12,914,941

Annual maturities of debt for the ensuing five years are summarized as follows:

Years	Wholly Owned (1)	LP (2)	Total
2018	$ 1,359,718	$ 25,577,732	$26,937,450
2019	22,385,763	6,868,181	29,253,944
2020	229,323	7,181,460	7,410,783
2021	431,666	21,147,222	21,578,888
2022	2,858,019	6,897,927	9,755,946

(1) Entities wholly-owned by POAH
(2) Entities controlled by POAH or subsidiaries

To minimize the effect of changes in interest on a mortgage note, a limited partnership, Salem Heights Preservation Associates Limited Partnership ("SHPALP"), entered into interest rate swap agreements with two banks under which the partnership pays interest at a fixed rate of 4.24% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $1,029,996 and $1,435,555 as of December 31, 2017 and 2016, respectively, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

To minimize the effect of changes in interest on a mortgage note, POAH Support Corporation (“PSC”), entered into interest rate swap agreements with BMO Harris Bank under which PSC pays interest at a fixed rate of 1.31% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of $126,830 as of December 31, 2017 and 2016, respectively, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. Changes in the swap agreement fair value are currently included in other changes in equity.

Note 8 - Fair value of rental property

Acquisition of real property is recorded at fair value at the time of purchase as determined by an appraisal and are categorized as Level 3. During the years ended December 31, 2017 and 2016, the Company recorded the acquisition of real property totaling $15,280,000 and $8,086,602, respectively.

At December 31, 2017, the Company's management determined that the value of one of its properties ("Property") was impaired. The Property was acquired and improvements were anticipated as part of a broader neighborhood redevelopment strategy. Based on an independent appraisal of the Property, management wrote down the net carrying amount of the buildings and improvements by $10,521,964 to their fair value of $11,750,000. The Property recorded an impairment loss of $10,521,964 in the accompanying consolidated statements of activities.

The impairment loss represents a noncash charge to operations and had no impact on the Company's 2017 cash flow or its ability to generate cash flow in the future. In addition, the impairment loss had no impact on the amounts reported on the Company's income tax returns.

In accordance with accounting standards for fair value measurement and disclosures, the fair value of the Property was measured using Level 3 inputs. Specifically, an independent property appraisal was obtained that applied the income approach in estimating the fair value. For purposes of the income approach, fair value was determined by the appraiser based on a direct capitalization analysis reflecting estimates of current and projected revenue and expense profiles, expected trends in rents and occupancy and operating expense, an annual set aside amount to fund a replacement reserve account, and available industry information about capitalization rates. Using available industry information, the appraiser applied a capitalization rate of 7.25%-9% in determining the fair value of the Property.

Note 9 - Related party transactions

Notes and other receivables from affiliates

For the years ended December 31, 2017 and 2016, POAH Inc.'s and POAH LLC's notes receivable and accounts receivable are amounts receivable from limited partnerships in which the Company is a general partner. The effect of these transactions has been eliminated in consolidation each year.

Administrative salaries

The Company provides various services related to the administration of POAH LLC. For the years ended December 31, 2017 and 2016, POAH LLC reimbursed the Company for compensation, overhead and rent of $7,474,752 and $5,962,572, respectively.

Property management and accounting service fees

Property management and accounting service fees were earned by POAHC LLC in 2017 and 2016 in the amounts of $6,290,951 and $6,008,538, respectively, from related properties. At December 31, 2017 and 2016, $745,054 and $1,132,918, respectively, is due from related properties for services and advances net of an allowance for doubtful accounts which is estimated to be $472,375 and $933,062, respectively, as of December 31, 2017 and 2016. The effect of these transactions has been eliminated in consolidation each year.

Reimbursable salaries and expenses

POAHC LLC incurs costs related to payroll, technical support and other reimbursable expenses on behalf of the properties that it manages. For the years ended December 31, 2017 and 2016, the costs incurred and the related reimbursement from related properties totaled $18,579,521 and $17,562,755, respectively. The effect of these transactions has been eliminated in consolidation each year.

Development fee and other revenue from properties

During the years ended December 31, 2017 and 2016, the Company and POAH LLC earned development fee revenue and fees from affiliated entities as follows:

	2017	2016
Development fee paid from development sources	$ 5,087,976	$ 5,966,810
Development fee paid from cash flow	1,656,641	1,169,616
Other fee revenue	584,600	-
	7,329,217	7,136,426
Cash flow fees from certain related properties	3,273,813	1,422,541
	10,603,030	8,558,967
Development and cash flow fees eliminated in consolidation	(8,504,156)	(7,803,914)
	$ 2,098,874	$ 755,053

At December 31, 2017 and 2016, $6,704,524 and $6,243,302, respectively, is due from related properties for development and cash flow fees. At December 31, 2017 and 2016, development fees received but not yet earned are $835,659 and $603,553, respectively.

Note 10 - Investments in partnerships

The Company, either as a sole member of the entity or the 100% owner of the general partner, has made capital contributions to some of the entities that own the affordable housing developments. At December 31, 2017 and 2016, investment in properties is $10,671,166 and $11,091,009, respectively, all of which has been eliminated in consolidation.

In 2016, POAH LLC purchased the 99% limited partner and .5% supervising general partner interest in PRC Associates Limited Partnership (“PRC”) for $456,027. PRC owned a property known as Oxford Gardens in Providence, RI. The investment was recorded using the equity method. On December 27, 2017, PRC sold the property to Oxford Preservation Associates Limited Partnership, an affiliate of the Company. The balance of this investment at December 31, 2017 and 2016 is $0 and $405,778, respectively.

On December 31, 2017, POAH LLC purchased the 99.9% limited partner interest in Terri Manor Associates, Ltd. (“TM”) for $5,000. TM owns a property known as Terri Manor in Cincinnati, OH. The investment is recorded using the equity method. The balance of this investment at December 31, 2017 is $5,000.

Certain financial information with respect to these investments at December 31, 2017 and 2016, and the years then ended, are as follows:

	2017	2016
Net investment in real estate	$ 1,403,919	$ 335,551
Total assets	2,139,654	546,670
Permanent financing (including accrued interest)	12,084,231	7,127,803
Total liabilities	12,652,639	8,277,702
Limited partner's equity (deficit)	(8,880,697)	(6,942,783)
General partners' equity (deficit)	(1,632,288)	(788,249)
Revenue	1,159,652	538,317
Expenses	1,348,259	826,160
Net income (loss)	(188,607)	(287,843)

Note 11 - Commitments and contingencies

Lease commitments

The Company leased office space under a non-cancelable operating lease in Boston, MA which expires June 30, 2020. The Company executed a lease for additional space on February 15, 2014. Rental expense, inclusive of operating costs, for the year ended December 31, 2017 and 2016 totaled $642,443 and $635,619, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Chicago, Illinois which expires in April 2018. In September 2017, a lease extension was executed that commences in May 2018 and expires in April 2025. Rental expense, inclusive of operating costs and net of amounts eligible for grant reimbursement, for the years ended December 31, 2017 and 2016 totaled $47,590 and $26,519, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Washington, DC which expires in July 2022. Rental expense, inclusive of operating costs, for the year ended December 31, 2017 totaled $50,938.

POAHC leases office space under a non-cancellable operating lease in Kansas City, Missouri, which expires in February 2018. POAHC entered into a new non-cancelable operating lease in November 2017 that commences in March 2018 and expires in March 2025. Rental expense, inclusive of real estate taxes and operating costs, for the years ended December 31, 2017 and 2016 totaled $127,065 and $125,525, respectively.

Future minimum lease payments under operating leases as of December 31, 2017 are as follows:

	INC	LLC	POAHC	Total
2018	$ 606,747	$ 211,885	$ 36,514	$ 855,146
2019	610,681	249,330	108,500	968,511
2020	307,062	254,432	139,226	700,720
2021	-	259,610	149,095	408,705
2022	-	264,869	153,266	418,135
	$ 1,524,490	$ 1,240,126	$ 586,601	$ 3,351,217

Other commitments and contingencies

The Company or its affiliates serve as the general partner or managing member for various entities that are the owners of the affordable housing properties. The investors and in some cases lenders in these entities usually require guarantees from POAH entities on behalf of the general partner or managing member as a condition to their investment. Generally, these guarantees are for obligations such as construction and rehabilitation completion, funding of operating deficits and tax credit recapture price adjusters.

A summary of the guarantees outstanding at December 31, 2017 is as follows. See Note 15 for a detail of these entities and properties.

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2017	
Hawthorne	2002	(1), (2)	N/A	N/A	None	$ 500,000	-	
Jefferson	2003	(1), (2)	N/A	N/A	December 2026	970,894	-	
Oakland	2003	(2)	N/A	N/A	N/A	N/A	-	
Salem	2003	(1), (2)	N/A	N/A	N/A	N/A	625,596	(8)
Woodlen	2004	(2)	N/A	N/A	N/A	N/A	-	
Beachwood	2004	(2)	N/A	N/A	N/A	N/A	-	
Southwinds	2004	(2)	N/A	N/A	N/A	N/A	-	
Meadowbrook	2004	(2)	N/A	N/A	N/A	N/A	55,000	(8)
Driftwood	2005	(1), (2)	N/A	N/A	None	420,705	-	
Crestview	2005	(1), (2)	N/A	N/A	(8)	395,547	-	
Washington Gardens	2005	(1), (2)	N/A	N/A	N/A	N/A	-	
Garfield Hills	2006	(1), (2)	N/A	N/A	N/A	N/A	319,000	(8)
Hillside	2006	(2)	N/A	N/A	N/A	N/A	-	
Pocasset	2006	(2)	N/A	N/A	N/A	N/A	-	
Hillcrest	2007	(2)	N/A	N/A	N/A	N/A	-	
Bridle Path	2007	(2)	N/A	N/A	N/A	N/A	-	
Chestnut Gardens	2007	(2)	N/A	N/A	N/A	N/A	-	
Dom Narodowy	2007	(2)	N/A	N/A	N/A	N/A	-	
Eastgate	2007	(2)	N/A	N/A	N/A	N/A	-	
Fairweather	2007	(2)	N/A	N/A	N/A	N/A	-	
Fieldstone	2007	(2)	N/A	N/A	N/A	N/A	-	
Heritage	2008	(2)	N/A	N/A	N/A	N/A	-	
Cocheco	2008	(2), (3)	N/A	N/A	N/A	N/A	-	
Riverview	2008	(3)	N/A	1,600,000	N/A	N/A	-	
United Front	2008	(1), (2)	N/A	N/A	(7)	1,050,000	-	
WCS	2010	(1), (2), (6)	N/A	N/A	(7)	310,000	-	
Sugar River	2010	(1), (2)	N/A	N/A	(7)	815,000	-	
New Horizons	2010	(1), (2)	N/A	N/A	N/A	N/A	-	
Cromwell	2011	(1), (2)	N/A	N/A	(7)	715,815	-	
Renaissance	2011	(1), (2)	N/A	N/A	N/A	N/A	-	
Blackstone	2012	(1), (2)	N/A	N/A	June 2018	1,998,765	-	
Franklin	2012	(1), (2)	N/A	N/A	(7)	1,994,828	-	
Kenmore	2012	(1), (2)	N/A	N/A	(7)	2,396,000	-	
Peter's Grove	2012	(1), (2)	N/A	N/A	(7)	653,755	-	
Rock Harbor	2012	(1), (2)	N/A	N/A	June 2018	641,983	-	
WCN	2012	(1), (2), (6)	N/A	N/A	(7)	162,500	-	
Clay Pond Cove	2012	(1), (2)	N/A	N/A	(7)	393,543	-	
Kings Landing	2013	(1), (2)	N/A	N/A	(7)	593,473	-	
Central Annex	2013	(1), (2), (9)	N/A	N/A	(7)	554,259	-	
Torringford	2013	(1), (2)	N/A	N/A	(7)	413,050	-	
Grace	2013	(1), (2)	N/A	N/A	(7)	702,695	-	
Old Middletown	2014	(1), (2)	N/A	N/A	(7)	700,068	-	
WP Senior	2014	(1), (2), (6)	N/A	N/A	(7)	288,634	-	
Harbor City	2014	(1), (2)	N/A	N/A	(7)	840,000	-	
Dennis	2014	(1), (2)	N/A	N/A	(7)	161,956	-	
Lafayette	2014	(1), (2)	N/A	N/A	(7)	548,000	-	
Briston Arms	2015	(1), (2), (3), (4)	(4)	3,700,000	(7)	4,475,000	-	
Newberry	2015	(1), (2), (3)	N/A	144,241	(7)	524,914	-	
Billings Forge	2015	(1), (2), (9)	N/A	N/A	(7)	620,000	-	
Cherry Briggs	2016	(1), (2)	N/A	N/A	(7)	569,290	-	
Trianon	2016	(2), (3), (4), (10)	3,000,000	N/A	N/A	N/A	-	
Greenwood	2016	(3)	N/A	3,000,000	N/A	N/A	-	
NSP Chicago	2016	(3)	N/A	2,160,000	N/A	N/A	-	
Brandy Hill	2016	(1), (2), (4)	(4)	N/A	N/A	630,000	-	
Founders	2016	(1), (2), (4)	(4)	N/A	N/A	300,055	-	
Trinity Towers East	2016	(1), (2), (5)	(4)	8,006,000	N/A	660,404	112,000	(8)
Trinity Towers South	2016	(1), (2), (5)	(4)	9,450,000	N/A	881,300	-	
Tribune	2016	(1), (2), (4)	(4)	N/A	N/A	441,155	-	
Woodlawn Rollup	2017	(1), (2), (5)	7,115,430	N/A	N/A	1,232,956	-	
Woodlawn Station	2017	(1), (2), (3), (4)	(4)	5,000,000	(7)	369,000	-	
Oxford	2017	(1), (2), (4)	(4)	N/A	N/A	685,000	-	

Types of guarantees
(1) Operating deficits
(2) Tax credit recapture price adjusters
(3) Loan guarantee
(4) Construction rehabilitation completion, per agreement there is no limit on the amount of this guarantee
(5) Construction completion and construction loan guarantee
(6) Financing coverage guarantee
Other
(7) Two to five years from construction completion and/or breakeven
(8) Eliminated in consolidation
(9) Annual commercial income guarantee
(10) Basic rent guarantee per Net Lease

Note 12 - Financial instruments

The Company and its subsidiaries maintain its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes it is not exposed to any significant credit risk on its cash, cash equivalents and other deposits at December 31, 2017 and 2016.

Note 13 - Rent subsidies

For most of the properties, tenants' rents are being subsidized by various federal and state programs. Generally, these programs restrict assistance to those residents who qualify by meeting certain established criteria, including maximum income limitations. A majority of the properties have entered into contracts with HUD to provide the federal subsidies. These contracts expire in years 2019 to 2041. Rent subsidies totaled $81,506,594 and $77,034,852 for 2017 and 2016, respectively.

Note 14 - Temporarily restricted net assets

The Company received the following grants which are included in temporarily restricted net assets at December 31, 2017 and 2016 for either time restrictions or restrictions related to specific program services:

	Balance at December 31, 2017	Balance at December 31, 2016
Home ownership assistance	$ 346,198	$ 500,000
Community resource center	15,000	140,632
Installation of artwork	15,000	15,000
Real estate predevelopment	-	6,855
Resident and community engagement	-	7,000
Children savings accounts	26,250	1,000
Family Self Sufficiency	18,333	100,000
Community arts festival	9,945	20,000
Energy improvements	-	456,412
Choice endowment	909,726	-
Capital Magnet Fund	4,300,000	-
	$ 5,640,452	$ 1,246,899

Note 15 - Limited partnerships and limited liability companies

As of December 31, 2017, the Company owns a general partner or managing member interest in the following entities:

	Entity	Project Location	No. of Units
1)	Country Club Village II Associates - I, L.P.	Springfield, MO	28
2)	Highland Acres Associates - I, L.P.	Carthage, MO	35
3)	Houston Plaza Associates - I, L.P.	Adrian, MO	34
4)	Maplewood Manor Associates - I, L.P.	Web City, MO	60
5)	Monroe Estates Associates - I, L.P.	Lebanon, MO	74
6)	Prairie Plains Associates - I, L.P.	Lamar, MO	50
7)	Woodlen Place Associates, L.P.	Kansas City, MO	60
8)	Crestview Village Associates - I, L.P.	Liberty, MO	48
9)	Hawthorne Associates Limited Partnership	Independence, MO	745
10)	Beachwood Preservation Associates Limited Partnership	Narragansett, RI	56
11)	Southwinds Preservation Associates Limited Partnership	Narragansett, RI	48
12)	Driftwood Preservation Associates Limited Partnership	Narragansett, RI	32
13)	Hillside Preservation Associates Limited Partnership	Providence, RI	42
14)	Pocasset Preservation Associates Limited Partnership	Providence, RI	82
15)	Hillcrest Preservation Associates Limited Partnership	Providence, RI	130
16)	Fieldstone Preservation Associates Limited Partnership	Narragansett, RI	24
17)	Heritage Preservation Associates Limited Partnership	North Kingstown, RI	204
18)	Grace Preservation Associates Limited Partnership	Providence, RI	101
19)	Cherry Briggs Preservation Associates Limited Partnership	Johnston & Providence, RI	160
20)	Oxford Preservation Associates Limited Partnership	Providence, RI	128
21)	Jefferson Maison East Limited Dividend Housing Association LLC	Detroit, MI	280
22)	Oakland Grand Haven Limited Dividend Housing Association LLC	Troy, MI	297
23)	Meadowbrook Preservation Associates Limited Partnership	Northampton, MA	252
24)	Salem Heights Preservation Associates, Limited Partnership	Salem, MA	283
25)	Bridle Path Preservation Associates Limited Partnership	Randolph, MA	104
26)	Chestnut Gardens Preservation Associates Limited Partnership	Lynn, MA	65
27)	Dom Narodowy Polski Preservation Associates Limited Partnership	Chicopee, MA	50
28)	Eastgate Preservation Associates Limited Partnership	Springfield, MA	148
29)	Fairweather Preservation Associates Limited Partnership	Beverly, Danvers, Peabody and Salem, MA	321
30)	United Front Nine Preservation Associates Limited Partnership	New Bedford, MA	173
31)	Cromwell Preservation Associates Limited Partnership	Hyanis, MA	124
32)	CB Rental Limited Partnership	Bourne, MA	28
33)	Blackstone Preservation Associates Limited Partnership	Boston, MA	145
34)	Franklin Preservation Associates Limited Partnership	Boston, MA	193
35)	Kenmore Abbey Preservation Associates Limited Partnership	Boston, MA	199
36)	Peter's Grove Preservation Associates Limited Partnership	Hudson, MA	96
37)	Rock Harbor Preservation Associates Limited Partnership	Orleans, MA	100
38)	Clay Pond Preservation Associates Limited Partnership	Bourne, MA	45
39)	Kings Landing Preservation Associates Limited Partnership	Brewster, MA	108
40)	Central Annex Preservation Associates Limited Partnership	Pittsfield, MA	101
41)	Dennis Community Housing Preservation Associates Limited Partnership	Dennis, MA	27
42)	Briston Arms Preservation Associates Limited Partnership	Cambridge, MA	154
43)	Founders Court Preservation Associates Limited Partnership	Hyannis, MA	32
44)	Brandy Hill Preservation Associates Limited Partnership	E. Wareham, MA	132
45)	Tribune Preservation Associates Limited Partnership	Framingham, MA	53
46)	Canal Bluffs P3 Preservation Associates Limited Partnership	Bourne, MA	44
47)	Crestview Preservation Associates Limited Partnership	Kankakee, IL	132
48)	WCS Preservation Associates Limited Partnership	Chicago, IL	67
49)	Renaissance Preservation Associates Limited Partnership	Chicago, IL	117
50)	WCN Preservation Associates Limited Partnership	Chicago, IL	33
51)	WP Senior Preservation Associates Limited Partnership	Chicago, IL	65
52)	Lafayette Preservation Associates Limited Partnership	Chicago, IL	94
53)	Newberry Preservation Associates Limited Partnership	Chicago, IL	84
54)	Woodlawn Station Preservation Associates Limited Partnership	Chicago, IL	70

	Entity	Project Location	No. of Units
55)	Woodlawn Roll-up Preservation Associates Limited Partnership	Chicago, IL	196
56)	Washington Gardens Preservation Associates L.P.	Hagerstown, MD	100
57)	Garfield Hills Preservation Associates Limited Partnership	Washington, DC	94
58)	Cocheco Preservation Associates Limited Partnership	Dover, NH	78
59)	Sugar River Preservation Associates Limited Partnership	Claremont, NH	162
60)	New Horizons Preservation Associates LP	Miami, FL	100
61)	Harbor City Towers LLLP	Melbourne, FL	192
62)	Trinity Towers East Preservation Associates LLLP	Melbourne, FL	156
63)	New Trinity Towers South Preservation Associates LLLP	Melbourne, FL	162
64)	Torringford West Preservation Associates Limited Partnership	Torrington, CT	79
65)	Billings Forge LLC		
66)	Billings Forge Preservation Associates Limited Partnership	Hartford, CT	112
67)	Old Middletown Preservation Associates Limited Partnership	Middletown, CT	65
68)	POAH Cherry Hill LLC (100% owned by POAH, Inc)		
69)	POAH Aaron Briggs LLC (100% owned by POAH, Inc)		
70)	POAH Fieldstone Apartments LLC (100% owned by POAH, Inc)		
71)	POAH Torringford West LLC (100% owned by POAH, Inc)		
72)	POAH Old Middletown LLC (100% Owned by POAH, Inc)		
73)	POAH Central Annex LLC (100% owned by POAH, Inc)		
74)	SSAH LLC (100% owned by POAH, Inc)	Weymouth, MA	20
75)	POAH Brandy Hill LLC (100% owned by POAH, Inc)		
76)	POAH Ventures LLC (100% owned by POAH, Inc)		
77)	BR Sugar River Limited Partnership (100% owned by POAH, Inc)		
78)	POAH Kings Landing LLC (100% owned by POAH, Inc)		
79)	Riverview Residences Dover LLC (100% owned by POAH, Inc)	Dover, NH	24
80)	POAH Cutler Meadows LLC (100% owned by POAH, Inc)	Miami, FL	225
81)	POAH Cutler Manor LLC (100% owned by POAH, Inc)	Miami, FL	219
82)	POAH Middletowne Apartments LLC (100% owned by POAH, Inc)	Orange Park, FL	100
83)	POAH Campbell Arms, LLC (100% owned by POAH, Inc)	Homestead, FL	201
84)	POAH New Horizons, LLC (100% owned by POAH, Inc)		
85)	POAH Trinity Towers East, LLC (100% owned by POAH, Inc)		
86)	POAH Trinity Towers West, LLC (100% owned by POAH, Inc)		
87)	Trinity Towers South Preservation Associates LLLP (100% owned by POAH, Inc)		
88)	POAH NSP Chicago LLC (100% owned by POAH, Inc)	Chicago, IL	6
89)	POAH Grove Parc Apartments LLC (100% owned by POAH, Inc)	Chicago, IL	-
90)	POAH Holdings (100% owned by POAH, Inc)	Chicago, IL	
91)	POAH NMTC2 Title Holding Company LLC (100% owned by POAH, Inc)	Chicago, IL	27
92)	POAH Support Corporation (100% owned by POAH, Inc)		
93)	POAH Greenwood Park LLC (100% owned by POAH, Inc)	Chicago, IL	122
94)	POAH JBL LLC (100% owned by POAH, Inc)	Chicago, IL	106
95)	Colony Plaza Associates, L.P. (100% owned by POAH, Inc)	Excelsior Springs, MO	111
96)	Country Club Village Associates, L.P. (100% owned by POAH, Inc)	Springfield, MO	70
97)	Glenwood Manor Associates, L.P. (100% owned by POAH, Inc)	Springfield, MO	119
98)	Highland Meadows Associates, L.P. (100% owned by POAH, Inc)	Carthage, MO	44
99)	Deerfield Village Associates, L.P. (100% owned by POAH, Inc)	Carthage, MO	60
100)	Barry Farm Redevelopment Associates, LLC (100% owned by POAH, Inc)		
101)	POAH Landowner, LLC (100% owned by POAH, Inc)		
			9,307

The majority of these properties qualify for the low-income tax credit in accordance with Section 42 of the Internal Revenue Code. Provisions of Section 42 regulate the use of the Project as to occupancy eligibility and unit gross rent, among other requirements, for 15 years. Most of the properties are subject to these provisions for additional terms in accordance with agreements entered into with the state tax credit agencies. The properties are also controlled by regulatory agreements with lenders and other funding and subsidy sources.

The limited partners or investor members generally own between 99 to 99.99% interest in the properties. Capital contributions are due from these partners or members in installments upon each property's satisfaction of specified conditions, as defined, and are subject to adjustment based on the actual low income tax credits delivered. These contributions are recorded by the entities when received.

Note 16 - State credit proceeds

The Company sells State Low Income Housing Tax Credits ("SLIHTC") and State Historic Tax Credits ("SHTC") from limited partnership properties to unrelated parties. The Company recognizes these proceeds as income over the respective state credit period. The funds are then loaned to the properties to fund rehabilitation or construction.

A summary of the state credits is as follows:

Year of Sale	Credit Type	Credit Proceeds	Credit Period	Income 2016	Deferred Income at December 31, 2016	Income 2017	Deferred Income at December 31, 2017
2012	SLIHTC	$ 10,262,926	2013-2017	$ 2,052,587	$ 2,052,586	$ 2,052,586	$ -
2013	SLIHTC	3,288,680	2013-2017	657,736	657,736	657,736	-
2015	SHTC	695,000	2015-2019	139,000	417,000	139,000	278,000
2016	SHTC	1,359,859	2016	1,359,859	-	-	-
2017	SLIHTC	3,633,750	2017-2021	-	-	726,750	2,907,000
				$ 4,209,182	$ 3,127,322	$ 3,576,072	$ 3,185,000

Note 17 - Deferred gains

The Company has purchased various properties and then sold those properties to limited partnerships in which an affiliate of the Company serves as general partner. This related party sale results in a deferred gain.

As part of the purchase of certain of these properties, the Company acquired reserve funds. The Company then used those reserve funds to either fund general partner capital contributions or provide loans to related limited partnerships.

The following is a summary of the deferred gains and related notes receivable:

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable	
Pocasset Manor Apartments	$ 4,589,201	$ 2,340,000	$ 1,067,857	$ 1,181,344	(1)
Hillcrest Village Apartments	300,000	300,000	-	-	
Bridle Path Apartments	3,893,445	844,160	-	3,049,285	(2)
Chestnut Garden Apartments	1,727,285	1,727,285	-	-	
Dom Narodowy Polski Apartments	965,490	912,273	-	53,217	(2)
Eastgate Apartments	6,242,014	3,196,804	-	3,045,210	(2)
Heritage Village II Apartments	4,668,132	1,639,308	-	3,028,824	(3)
New Horizons	200,000	200,000	-	-	
Cromwell Court	872,000	872,000	-	-	
Blackstone	16,658,507	12,485,719	-	4,172,788	(4)
Franklin	16,676,301	16,676,301	-	-	
Kenmore Abbey	17,722,502	12,182,798	-	5,539,704	(5)
Peter's Grove	626,994	626,994	-	-	
Rock Harbor	355,416	355,416	-	-	
King's Landing	2,400,000	2,400,000	-	-	
Grace	157,646	-	-	157,646	
Chery Hill	444,276	-	-	444,276	(6)
Aaron Briggs	114,098	-	-	114,098	(6)

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable
Tribune	175,800	-	-	175,800
Brandy Hill	1,356,610	-	-	1,356,610
	80,145,717	$ 56,759,058	$ 1,067,857	22,318,802
Gain recognized from receipt of principal payment in prior years	(1,846,105)	(476,658)	-	(1,369,447)
Gain recognized from receipt of principal payment in current year	(1,642,866)	(925,641)	-	(717,225)
	$ 76,656,746	$ 55,356,759	$ 1,067,857	$ 20,232,130

(1) Funds loaned to Pocasset, Hillside and Hillcrest
(2) Funds loaned to Fairweather, Chestnut Gardens and Dom Narodowy
(3) Funds loaned to Heritage and Fieldstone
(4) Funds loaned to Franklin and Rock Harbor
(5) Funds loaned to Franklin and Peter's Grove
(6) Funds loaned to Cherry Briggs

The results of the above transactions are eliminated in consolidation.

Note 18 - Purchase of interest in POAH LLC

The Company (the "Buyer") purchased HII's (the "Seller") non-controlling interest in POAH, LLC on January 12, 2012. The purchase was financed with a series of seller notes as described below.

Two contingent notes to be delivered from the Buyer to the Seller on the third ("Third Year Note") and sixth ("Sixth Year Note") anniversaries of the closing, sized at 15% of the value of POAH LLC based on revaluations to be carried out at the dates of the note issuances. The Third Year Note was issued effective January 12, 2015. The present value of the Sixth Year Note, the contingent purchase obligation, is estimated to be $3,528,039 and $3,727,897, respectively, at December 31, 2017 and 2016.

The Company issued the Third Year Note in the amount of $4,168,759 effective January 12, 2015. The note bears interest at 6.5% and amortizes quarterly over seven years. The note is subject to mandatory prepayment requirements on sharing in annual cash flow (as defined in the Purchase Agreement). A prepayment in the amount of $1,000,000 was made in April 2017. During 2017 and 2016, interest of $150,087 and $228,206, respectively, was incurred and paid. At December 31, 2017 and 2016 the outstanding principal balance is $1,727,753 and $3,165,665, respectively.

The Company issued the Sixth Year Note in the amount of $3,528,039 effective January 12, 2018. The note bears interest at 7% and amortizes quarterly over four years. The note is subject to mandatory prepayment requirements on sharing in annual cash flow (as defined in the Purchase Agreement). The purchase notes and contingent notes are collateralized by the assets of POAH LLC.

Annual maturities of debt on the Third and Sixth Year Note for the ensuing four years as of December 31, 2017 are summarized as follows:

2018	$	1,822,165
2019		1,412,816
2020		910,559
2021		976,383

On June 26, 2018, the Company paid the Third and Sixth Year Notes in full from partial proceeds of a $5,000,000 loan from Boston Private Bank & Trust Company. The loan bears interest at 4.97%, requires principal and interest on a fifteen year amortization, and has a ten year term.

Under the accounting rules governing the purchase of a non-controlling interest (a/k/a minority partner), the Company recorded the difference between the purchase price and the book value of HII's capital account in POAH LLC in 2012 as a $9,104,606 reduction of net assets. In 2014, $2,535,442 was recorded as a reduction of net assets to reflect the estimated increase in the value of the contingent notes. In 2017, $199,858 was recorded as an increase of net assets to reflect the estimated decrease in value of the contingent note.

Note 19 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes to the consolidated financial statements. Management evaluated the activity of the Company through June 29, 2018 and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements, except as noted below.

On November 30, 2017, POAHC entered into a Purchase Agreement to purchase Brickstone, a property management company located in Cincinnati, OH, for $2,350,000. The purchase occurred on May 31, 2018.

POAH LLC entered into two contracts totaling $3,011,838 for demolition and infrastructure work as an agent of the Boston Housing Authority ("BHA") for the Whittier Street project. The costs of these contracts will not be reflected on POAH LLC's financial statements.

On June 26, 2018, the Company closed on a $5,000,000 loan with Boston Private Bank & Trust Company. Partial proceeds from the loan were used to pay the two notes outstanding to HII in full.

Supplementary Information

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2017

Assets	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Current assets						
Cash and cash equivalents	$ 8,935,823	$ 2,502,179	$ 18,158,058	$ 29,596,060	$ -	$ 29,596,060
Restricted cash	1,232,761	-	-	1,232,761	-	1,232,761
Restricted reserves	803,788	-	-	803,788	-	803,788
Accounts receivable						
Rental - tenants and subsidy	-	127,709	1,617,322	1,745,031	-	1,745,031
Grants receivable	219,231	-	-	219,231	-	219,231
Properties, net of allowance for doubtful accounts	2,294,054	-	-	2,294,054	(2,272,193)	21,861
Development fees	5,177,385	-	-	5,177,385	(5,177,385)	-
Other	1,759,351	206,585	456,705	2,422,641	(218,882)	2,203,759
Escrow deposits	-	8,496,630	67,672,828	76,169,458	-	76,169,458
Tenant security deposits	-	502,066	2,646,357	3,148,423	-	3,148,423
Due from affiliates	48,434	205,000	-	253,434	(253,434)	-
Prepaid expenses	344,797	265,397	1,030,073	1,640,267	-	1,640,267
Note receivable, current	4,147,628	-	-	4,147,628	(4,147,628)	-
Interest on notes receivable	3,423,985	-	-	3,423,985	(3,423,985)	-
Predevelopment costs reimbursable, current	5,260,155	3,054,483	-	8,565,638	(1,478,383)	6,836,255
Total current assets	33,647,392	15,360,049	91,581,343	140,839,784	(16,971,890)	123,616,894
Other assets						
Notes receivable, net of discount	136,481,087	13,210,657	-	149,691,744	(141,284,744)	8,407,000
Investment in partnerships	10,676,166	138,260	-	10,814,426	(10,809,426)	5,000
Predevelopment costs reimbursable, net of current	2,808,892	-	-	2,808,892	-	2,808,892
Other assets	1,280,093	123,181	2,879,176	4,282,450	-	4,282,450
Total other assets	151,246,238	13,472,098	2,879,176	167,597,512	(152,094,170)	15,503,342
Fixed assets						
Land and buildings	-	81,449,365	1,086,765,708	1,168,215,073	(238,296,960)	929,918,113
Rehabilitation in progress	1,196,751	-	21,898,910	23,095,661	-	23,095,661
Furniture, equipment and leasehold improvements	519,542	1,179,476	13,330,058	15,029,076	-	15,029,076
Less: Accumulated depreciation	(416,843)	(17,312,671)	(185,606,858)	(203,336,372)	39,509,434	(163,826,938)
Total fixed assets	1,299,450	65,316,170	936,387,818	1,003,003,438	(198,787,526)	804,215,912
Total assets	$ 186,193,080	$ 94,148,317	$ 1,030,848,337	$ 1,311,440,734	$ (367,853,586)	$ 943,336,148

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
December 31, 2017

Liabilities and Net Assets	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Liabilities						
Current liabilities						
Accounts payable	$ 858,226	$ 918,380	$ 3,918,550	$ 5,695,156	$ (856,468)	$ 4,838,688
Accrued expenses	1,756,810	994,476	6,505,888	9,257,174	-	9,257,174
Accounts payable - development	467	4,257,905	58,858,796	63,117,168	(48,641,445)	14,475,723
Accrued interest	35,853	78,171	1,835,612	1,949,636	-	1,949,636
Mortgages payable - properties, current	-	1,359,718	6,641,340	8,001,058	-	8,001,058
Construction loans - properties, current	-	-	18,936,392	18,936,392	-	18,936,392
Loan payable, current	4,611,049	-	-	4,611,049	-	4,611,049
Line of credit, current	1,493,874	-	-	1,493,874	-	1,493,874
Deferred liabilities, current	6,865	-	-	6,865	-	6,865
Tenant security deposits	-	483,051	2,523,568	3,006,619	-	3,006,619
Prepaid revenue	-	28,096	1,188,105	1,216,201	-	1,216,201
Due to affiliates	236,968	1,339,335	3,713,344	5,289,647	(4,186,658)	1,102,989
Total current liabilities	9,000,112	9,459,132	104,121,595	122,580,839	(53,684,571)	68,896,268
Long-term liabilities						
Loans and notes payable, net of current	14,572,254	-	-	14,572,254	-	14,572,254
Line of credit, net of current	400,000	-	-	400,000	-	400,000
Accrued interest payable - notes payable	486,924	-	-	486,924	-	486,924
Notes payable and accrued interest - properties	-	34,163,348	309,817,985	344,232,333	(186,702,505)	157,278,828
Mortgages payable - properties, net of current	-	51,385,948	398,885,319	450,271,267	-	450,271,267
Contingent deferred purchase obligation	3,528,039	-	-	3,528,039	-	3,528,039
Interest rate swap	-	126,830	1,029,996	1,156,826	-	1,156,826
Deferred liabilities, net of current	39,222	-	-	39,222	-	39,222
Deferred income	80,677,405	11,160,804	6,008,819	97,847,028	(89,426,647)	8,420,381
Total long-term liabilities	99,703,844	96,836,930	715,742,119	912,533,893	(276,129,152)	636,153,741
Total liabilities	108,703,956	106,296,062	819,863,714	1,035,114,732	(329,813,723)	705,050,009
Net assets						
Unrestricted controlling	69,927,002	(12,147,745)	(507,930)	57,271,327	(24,991,005)	32,280,322
Unrestricted noncontrolling	1,921,670	-	211,492,553	213,414,223	(13,048,858)	200,365,365
Total unrestricted net assets	71,848,672	(12,147,745)	210,984,623	270,685,550	(38,039,863)	232,645,687
Temporarily restricted net assets	5,640,452	-	-	5,640,452	-	5,640,452
Total net assets	77,489,124	(12,147,745)	210,984,623	276,326,002	(38,039,863)	238,286,139
Total liabilities and net assets	$ 186,193,080	$ 94,148,317	$ 1,030,848,337	$ 1,311,440,734	$ (367,853,586)	$ 943,336,148

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities
Year Ended December 31, 2017

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Support and revenue						
Rental income	$ -	$ 13,858,262	$ 101,259,478	$ 115,117,740	$ -	$ 115,117,740
Grant income	4,146,114	69,417	408,290	4,623,821	-	4,623,821
Grant income, capital investments	12,956,892	-	-	12,956,892	-	12,956,892
Contribution income	25,250	-	-	25,250	-	25,250
Developer fee revenue	7,329,217	-	-	7,329,217	(5,230,343)	2,098,874
Cash flow from properties	3,273,513	-	-	3,273,513	(3,273,513)	-
State tax credit proceeds	3,576,072	-	-	3,576,072	-	3,576,072
Property management and accounting	6,335,654	-	-	6,335,654	(6,304,825)	30,829
Reimbursable salaries and expenses	18,579,521	-	-	18,579,521	(18,579,521)	-
Gain on receipt of mortgage note	2,137,691	-	-	2,137,691	(1,642,866)	494,825
Gain on prepayment of notes receivable	578,908	-	-	578,908	(578,908)	-
Loss on sale	-	(4,722)	-	(4,722)	4,722	-
Interest income	4,106,162	225,782	470,521	4,802,465	(4,131,326)	671,139
Loss on investment in partnership	44,222	(256,414)	-	(212,192)	-	(212,192)
Investment and other income	757,100	782,477	5,021,745	6,561,322	(303,795)	6,257,527
Total support and revenue	63,846,316	14,674,802	107,160,034	185,681,152	(40,040,375)	145,640,777
Expenses						
Personnel	12,795,410	-	-	12,795,410	-	12,795,410
Development expense	2,569,112	-	-	2,569,112	(1,322,723)	1,246,389
Professional services	1,054,254	-	-	1,054,254	-	1,054,254
Contributions and grants made	2,059,344	-	-	2,059,344	-	2,059,344
Rental	925,178	-	-	925,178	-	925,178
Taxes and insurance	364,399	-	-	364,399	-	364,399
Travel and lodging	836,469	-	-	836,469	-	836,469
Interest	1,090,527	-	-	1,090,527	-	1,090,527
Reimbursable salaries and expenses	18,579,521	-	-	18,579,521	(18,579,521)	-
Property operations	-	10,628,006	68,238,727	78,866,733	(6,362,232)	72,504,501
Property mortgage interest	-	3,184,073	29,902,116	33,086,189	(4,563,201)	28,522,988
Impairment loss	-	10,521,964	-	10,521,964	-	10,521,964
Office and administration	983,903	-	-	983,903	-	983,903
Depreciation and amortization	46,563	2,487,466	26,826,442	29,360,471	(7,667,937)	21,692,534
Community impact	2,900,737	-	-	2,900,737	-	2,900,737
Bad debt expense	36,904	-	-	36,904	-	36,904
Miscellaneous	155,325	-	-	155,325	-	155,325
Total expenses	44,397,646	26,821,509	124,967,285	196,186,440	(38,495,614)	157,690,826
Excess (deficiency) of revenue over expenses	19,448,670	(12,146,707)	(17,807,251)	(10,505,288)	(1,544,761)	(12,050,049)
Excess of expenses over revenue attributable to noncontrolling interests	-	-	(17,805,470)	(17,805,470)	-	(17,805,470)
Excess of revenue over expenses attributable to the Company	$ 19,448,670	$ (12,146,707)	$ (1,781)	$ 7,300,182	$ (1,544,761)	$ 5,755,421

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2017

	Unrestricted net assets										Temporarily restricted net assets	Net assets
	Controlling					Noncontrolling						
	Core Operating Companies	Wholly Owned	LP	Eliminations	Subtotal	Core Operating Companies	LP	Eliminations	Subtotal	Total	Controlling	Total
Beginning balance, January 1, 2017	$ 54,561,257	$ 3,922,236	$ (5,906,708)	$ (23,243,702)	$ 29,333,083	$ 2,057,098	$ 204,475,359	$ (13,048,858)	$ 193,483,599	$ 222,816,682	$ 1,246,899	$ 224,063,581
Increase due to purchase of noncontrolling interest	199,858	-	-	-	199,858	-	-	-	-	199,858	-	199,858
Capital contributions from noncontrolling interests	-	-	-	-	-	-	26,333,518	-	26,333,518	26,333,518	-	26,333,518
Capital contributions from the Company	-	-	490,807	(490,807)	-	-	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	(135,428)	(45,341)	-	(180,769)	(180,769)	-	(180,769)
Distributions to the Company	-	(3,573,274)	(59,995)	3,633,269	-	-	-	-	-	-	-	-
Noncontrolling interests' syndication costs	-	-	-	-	-	-	(80,000)	-	(80,000)	(80,000)	-	(80,000)
Other changes in equity	110,770	(350,000)	4,969,747	(3,345,004)	1,385,513	-	(1,385,513)	-	(1,385,513)	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	-	-	-	(17,805,470)	-	(17,805,470)	(17,805,470)	-	(17,805,470)
Excess of revenue (expenses) attributable to the Company	15,055,117	(12,146,707)	(1,781)	(1,544,761)	1,361,868	-	-	-	-	1,361,868	4,393,553	5,755,421
Ending balance, December 31, 2017	$ 69,927,002	$ (12,147,745)	$ (507,930)	$ (24,991,005)	$ 32,280,322	$ 1,921,670	$ 211,492,553	$ (13,048,858)	$ 200,365,365	$ 232,645,687	$ 5,640,452	$ 238,286,139

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year Ended December 31, 2017

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 19,448,670	$ (12,146,707)	$ (17,807,251)	$ (10,505,288)	$ (1,544,761)	$ (12,050,049)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities						
Loss on investment in partnership	(44,222)	-	-	(44,222)	-	(44,222)
Investment income	(283,795)	256,414	-	(27,381)	27,381	-
Depreciation and amortization	46,563	2,487,466	26,826,442	29,360,471	(6,250,411)	23,110,060
Amortization of debt issuance costs	21,750	250,244	1,282,679	1,554,673	-	1,554,673
Change in fair market value of interest rate swaps	-	-	(405,559)	(405,559)	-	(405,559)
Loss on sale of properties	-	(4,722)	-	(4,722)	-	(4,722)
Impairment loss	-	10,521,964	-	10,521,964	-	10,521,964
Forgiveness of debt	-	(574,311)	-	(574,311)	-	(574,311)
Deferred income	(3,576,072)	-	-	(3,576,072)	-	(3,576,072)
Changes in						
Accounts receivable	986,326	76,634	(243,358)	819,602	577,035	1,396,637
Prepaid expenses and other assets	(435,287)	65,235	(126,306)	(496,358)	-	(496,358)
Predevelopment costs reimbursable	(1,051,504)	(3,305,483)	-	(4,356,987)	(278,078)	(4,635,065)
Accounts payable and accrued expenses	274,750	(404,505)	1,071,608	941,853	(17,730)	924,123
Prepaid and deferred revenues	21,332	260,233	710,826	992,391	(1,331,661)	(339,270)
Tenant security deposits, net	-	16,544	14,249	30,793	-	30,793
Due to affiliates, net	(893,829)	(551,373)	1,148,415	(296,787)	(292,165)	(588,952)
Net cash provided by (used in) operating activities	14,514,682	(3,052,367)	12,471,745	23,934,060	(9,110,390)	14,823,670
Cash flows from investing activities						
Escrow deposits and restricted reserves, net	(46,772)	8,555,877	2,292,731	10,801,836	-	10,801,836
Advances on notes receivable and accrued interest	(21,955,854)	-	-	(21,955,854)	21,955,854	-
Repayments of notes receivable and accrued interest	9,997,746	273,209	-	10,270,955	(10,270,955)	-
Investment in partnership	(5,000)	-	-	(5,000)	-	(5,000)
Contributions to partnerships	(456,412)	-	-	(456,412)	456,412	-
Distributions from partnerships	1,539,088	-	-	1,539,088	(1,539,088)	-
Cash paid for fixed assets	(87,296)	(3,370,378)	(75,397,174)	(78,854,848)	31,917,720	(46,937,128)
Net cash (used in) provided by investing activities	(11,014,500)	5,458,708	(73,104,443)	(78,660,235)	42,519,943	(36,140,292)
Cash flows from financing activities						
Proceeds from line of credit	1,493,874	-	-	1,493,874	-	1,493,874
Payments on line of credit	(294,181)	-	-	(294,181)	-	(294,181)
Proceeds from notes and mortgages payable	6,629,330	7,384,175	67,196,190	81,209,695	(36,535,005)	44,674,690
Payment on notes and mortgages payable	(7,563,120)	(8,460,465)	(30,111,801)	(46,135,386)	-	(46,135,386)
Deferred income	(1,410,760)	-	-	(1,410,760)	(232,106)	(1,642,866)
Debt issuance costs paid	(37,500)	-	(754,331)	(791,831)	-	(791,831)
Syndication and tax credit costs paid	-	-	(609,544)	(609,544)	-	(609,544)
Acquisition costs and fees paid as a component of general partner equity	-	-	(215,096)	(215,096)	215,096	-
Distributions paid to partners	(135,428)	(3,573,274)	(105,336)	(3,814,038)	3,633,269	(180,769)
Partners capital contributions received	-	-	26,824,325	26,824,325	(490,807)	26,333,518
Net cash (used in) provided by financing activities	$ (1,317,785)	$ (4,649,564)	$ 62,224,407	$ 56,257,058	$ (33,409,553)	$ 22,847,505

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows
Year Ended December 31, 2017

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Net increase (decrease) in cash and cash equivalents	$ 2,182,397	$ (2,243,223)	$ 1,591,709	$ 1,530,883	$ -	$ 1,530,883
Cash and cash equivalents, beginning of year	7,986,187	4,745,402	16,566,349	29,297,938	-	29,297,938
Cash and cash equivalents, end of year	$ 10,168,584	$ 2,502,179	$ 18,158,058	$ 30,828,821	$ -	$ 30,828,821
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 945,568	$ 2,862,881	$ 23,415,852	$ 27,224,301	$ -	$ 27,224,301
Schedule of noncash investing activities						
Fixed asset costs incurred	$ 87,296	$ 16,760,108	$ 82,295,620	$ 99,143,024	$ 36,963,163	$ 136,106,187
Fixed assets assets sold in connection with common control transaction	-	(12,670,474)	-	(12,670,474)	-	(12,670,474)
Accounts payable - development, beginning of year	-	3,538,649	51,960,348	55,498,997	43,596,002	99,094,999
Accounts payable - development, end of year	-	(4,257,905)	(58,858,795)	(63,116,700)	(48,641,445)	(111,758,145)
Cash paid for fixed assets	$ 87,296	$ 3,370,378	$ 75,397,174	$ 78,854,848	$ 31,917,720	$ 110,772,568
Transfer of fixed assets	$ -	$ (350,000)	$ 350,000	$ -	$ -	$ -
Sale of properties	$ -	$ (12,670,474)	$ -	$ (12,670,474)	$ -	$ (12,670,474)
Deferred liability included in residual receipts escrow	$ -	$ -	$ 204	$ 204	$ -	$ 204
Contribution of notes receivable	$ 4,990,360	$ -	$ -	$ 4,990,360	$ -	$ 4,990,360
Increase in interest on notes receivable for acquistions under common control	$ 92,838	$ -	$ (92,838)	$ -	$ -	$ -
Increase from purchase in non-controlling interest	$ 199,585	$ -	$ -	$ 199,585	$ -	$ 199,585
Schedule of noncash financing activities						
Decrease in liabilities due to interest rate swap	$ -	$ -	$ 405,559	$ 405,559	$ -	$ 405,559

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2017

	POAH INC	POAH LLC	POAHC LLC	Subtotal	Elimination	Total
Assets						
Current assets						
Cash and cash equivalents	$ 3,224,721	$ 4,296,275	$ 1,414,827	$ 8,935,823	$ -	$ 8,935,823
Restricted cash	1,232,761	-	-	1,232,761	-	1,232,761
Restricted reserves	758,702	45,086	-	803,788	-	803,788
Accounts receivable						
Grants receivable	219,231	-	-	219,231	-	219,231
Properties, net of allowance for doubtful accounts	427,063	1,100,076	766,915	2,294,054	-	2,294,054
Development fees	-	5,177,385	-	5,177,385	-	5,177,385
Other	5,760	1,614,545	139,046	1,759,351	-	1,759,351
Due from affiliates	891,231	1,417,314	766,061	3,074,606	(3,026,172)	48,434
Prepaid expenses	109,039	153	235,605	344,797	-	344,797
Note receivable, current	4,147,628	-	-	4,147,628	-	4,147,628
Interest on notes receivable	93,870	3,330,115	-	3,423,985	-	3,423,985
Predevelopment costs reimbursable, current	5,260,155	-	-	5,260,155	-	5,260,155
Total current assets	16,370,161	16,980,949	3,322,454	36,673,564	(3,026,172)	33,647,392
Other assets						
Notes receivable, net of discount	20,066,092	116,414,995	-	136,481,087	-	136,481,087
Investment in companies	46,141,563	2,331,650	-	48,473,213	(48,473,213)	-
Investment in partnerships	10,671,166	5,000	-	10,676,166	-	10,676,166
Predevelopment costs reimbursable, net of current	2,808,892	-	-	2,808,892	-	2,808,892
Other assets	742,089	24,230	513,774	1,280,093	-	1,280,093
Total other assets	80,429,802	118,775,875	513,774	199,719,451	(48,473,213)	151,246,238
Fixed assets						
Rehabilitation in progress	1,196,751	-	-	1,196,751	-	1,196,751
Furniture, equipment and leasehold improvements	124,553	155,683	239,306	519,542	-	519,542
Less: Accumulated depreciation	(105,296)	(77,533)	(234,014)	(416,843)	-	(416,843)
Total fixed assets	1,216,008	78,150	5,292	1,299,450	-	1,299,450
Total assets	$ 98,015,971	$ 135,834,974	$ 3,841,520	$ 237,692,465	$ (51,499,385)	$ 186,193,080

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2017

Liabilities and Net Assets	POAH INC	POAH LLC	POAHC LLC	Subtotal	Elimination	Total
Liabilities						
Current liabilities						
Accounts payable	$ 468,853	$ 247,975	$ 141,398	$ 858,226	$ -	$ 858,226
Accrued expenses	654,375	414,876	687,559	1,756,810	-	1,756,810
Accounts payable - development	467	-	-	467	-	467
Accrued interest	28,496	7,357	-	35,853	-	35,853
Loan payable, current	4,384,759	226,290	-	4,611,049	-	4,611,049
Line of credit, current	-	1,493,874	-	1,493,874	-	1,493,874
Deferred liabilities, current	-	6,865	-	6,865	-	6,865
Due to affiliates	2,318,082	264,145	680,913	3,263,140	(3,026,172)	236,968
Total current liabilities	7,855,032	2,661,382	1,509,870	12,026,284	(3,026,172)	9,000,112
Long-term liabilities						
Loans and notes payable, net of current	9,664,143	4,908,111	-	14,572,254	-	14,572,254
Line of credit, net of current	-	400,000	-	400,000	-	400,000
Accrued interest payable - notes payable	-	486,924	-	486,924	-	486,924
Contingent deferred purchase obligation	3,528,039	-	-	3,528,039	-	3,528,039
Deferred liabilities, net of current	-	39,222	-	39,222	-	39,222
Deferred income	1,401,303	79,276,102	-	80,677,405	-	80,677,405
Total long-term liabilities	14,593,485	85,110,359	-	99,703,844	-	99,703,844
Total liabilities	22,448,517	87,771,741	1,509,870	111,730,128	(3,026,172)	108,703,956
Net assets						
Unrestricted controlling	69,927,002	46,141,563	2,331,650	118,400,215	(48,473,213)	69,927,002
Unrestricted noncontrolling	-	1,921,670	-	1,921,670	-	1,921,670
Total unrestricted net assets	69,927,002	48,063,233	2,331,650	120,321,885	(48,473,213)	71,848,672
Temporarily restricted net assets	5,640,452	-	-	5,640,452	-	5,640,452
Total net assets	75,567,454	48,063,233	2,331,650	125,962,337	(48,473,213)	77,489,124
Total liabilities and net assets	$ 98,015,971	$ 135,834,974	$ 3,841,520	$ 237,692,465	$ (51,499,385)	$ 186,193,080

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - Core Operating Companies
Year Ended December 31, 2017

	POAH INC	POAH INC Temporarily Restricted	POAH LLC	POAHC LLC	Subtotal	Elimination	Total
Support and revenue							
Grant income	$ 2,708,152	$ 1,437,962	$ -	$ -	$ 4,146,114	$ -	$ 4,146,114
Grant income, capital investments	8,656,892	4,300,000	-	-	12,956,892	-	12,956,892
Contribution income	-	25,250	-	-	25,250	-	25,250
Developer fee revenue	-	-	7,329,217	-	7,329,217	-	7,329,217
Cash flow from properties	1,568,676	-	1,704,837	-	3,273,513	-	3,273,513
State tax credit proceeds	-	-	3,576,072	-	3,576,072	-	3,576,072
Property management and accounting	-	-	-	6,335,654	6,335,654	-	6,335,654
Reimbursable salaries and expenses	-	-	-	18,579,521	18,579,521	-	18,579,521
Gain on receipt of mortgage note	-	-	2,137,691	-	2,137,691	-	2,137,691
Gain on prepayment of notes receivable	-	-	578,908	-	578,908	-	578,908
Interest income	42,208	-	4,063,781	173	4,106,162	-	4,106,162
Loss on investment in partnership	-	-	44,222	-	44,222	-	44,222
Investment and other income	9,383,558	-	996,747	465,517	10,845,822	(10,088,722)	757,100
	22,359,486	5,763,212	20,431,475	25,380,865	73,935,038	(10,088,722)	63,846,316
Net assets released from restrictions	1,369,659	(1,369,659)	-	-	-	-	-
Total support and revenue	23,729,145	4,393,553	20,431,475	25,380,865	73,935,038	(10,088,722)	63,846,316
Expenses							
Personnel	1,620,589	-	6,532,449	4,642,372	12,795,410	-	12,795,410
Development expense	26,803	-	2,542,309	-	2,569,112	-	2,569,112
Professional services	543,879	-	394,502	115,873	1,054,254	-	1,054,254
Contributions and grants made	2,055,682	-	3,662	-	2,059,344	-	2,059,344
Rental	184,505	-	585,594	155,079	925,178	-	925,178
Taxes and insurance	280,927	-	2,128	81,344	364,399	-	364,399
Travel and lodging	170,200	-	268,601	397,668	836,469	-	836,469
Interest	754,008	-	336,519	-	1,090,527	-	1,090,527
Reimbursable salaries and expenses	-	-	-	18,579,521	18,579,521	-	18,579,521
Office and administration	32,190	-	597,806	353,907	983,903	-	983,903
Depreciation and amortization	20,787	-	19,482	6,294	46,563	-	46,563
Community impact	2,899,042	-	-	1,695	2,900,737	-	2,900,737
Bad debt expense	-	-	-	36,904	36,904	-	36,904
Miscellaneous	85,416	-	56,448	13,461	155,325	-	155,325
Total expenses	8,674,028	-	11,339,500	24,384,118	44,397,646	-	44,397,646
Excess of revenue over expenses	$ 15,055,117	$ 4,393,553	$ 9,091,975	$ 996,747	$ 29,537,392	$ (10,088,722)	$ 19,448,670

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - Core Operating Companies
Year Ended December 31, 2017

	Unrestricted net assets							Temporarily restricted net assets	
	Controlling					Noncontrolling		Controlling	
	POAH, Inc	POAH, LLC	POAHC, LLC	Eliminations	Subtotal	POAH, LLC	Total	POAH, Inc	Total
Beginning balance, January 1, 2017	$ 54,561,257	$ 38,688,818	$ 1,686,775	$ (40,375,593)	$ 54,561,257	$ 2,057,098	$ 56,618,355	$ 1,246,899	$ 57,865,254
Increase due to purchase of noncontrolling interest	199,858	-	-	-	199,858	-	-	-	199,858
Capital contributions from the Company	-	-	500,000	(500,000)	-	-	-	-	-
Distributions to the Company	-	(1,750,000)	(851,872)	2,601,872	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	(135,428)	(135,428)	-	(135,428)
Other changes in equity	110,770	110,770	-	(110,770)	110,770	-	110,770	-	110,770
Excess of revenue (expenses)	15,055,117	9,091,975	996,747	(10,088,722)	15,055,117	-	15,055,117	4,393,553	19,448,670
Ending balance, December 31, 2017	$ 69,927,002	$ 46,141,563	$ 2,331,650	$ (48,473,213)	$ 69,927,002	$ 1,921,670	$ 71,648,814	$ 5,640,452	$ 77,489,124

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year Ended December 31, 2017

	POAH, Inc	POAH, LLC	POAHC, LLC	Subtotal	Elimination	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 19,448,670	$ 9,091,975	$ 996,747	$ 29,537,392	$ (10,088,722)	$ 19,448,670
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities						
Gain on investment in partnership	-	(44,222)	-	(44,222)	-	(44,222)
Investment income	(9,375,770)	(996,747)	-	(10,372,517)	10,088,722	(283,795)
Depreciation expense	20,787	19,482	6,294	46,563	-	46,563
Amortization of debt issuance costs	20,358	1,392	-	21,750	-	21,750
Deferred income	-	(3,576,072)	-	(3,576,072)	-	(3,576,072)
Changes in						
Accounts receivable	1,290,126	(338,947)	35,147	986,326	-	986,326
Prepaid expenses and other assets	98,927	747	(534,961)	(435,287)	-	(435,287)
Predevelopment costs reimbursable	(1,051,504)	-	-	(1,051,504)	-	(1,051,504)
Accounts payable and accrued expenses	(222,323)	441,667	55,406	274,750	-	274,750
Prepaid and deferred revenues	-	46,087	(24,755)	21,332	-	21,332
Due to affiliates, net	2,467,481	(3,147,039)	(214,271)	(893,829)	-	(893,829)
Net cash provided by operating activities	12,696,752	1,498,323	319,607	14,514,682	-	14,514,682
Cash flows from investing activities						
Escrow deposits and restricted reserves, net	(1,686)	(45,086)	-	(46,772)	-	(46,772)
Advances on notes receivable and accrued interest	(17,171,424)	(4,784,430)	-	(21,955,854)	-	(21,955,854)
Repayments of notes receivable and accrued interest	4,576,260	5,421,486	-	9,997,746	-	9,997,746
Contribution to subsidiary	-	(500,000)	-	(500,000)	500,000	-
Distributions received from subsidiary	1,750,000	851,872	-	2,601,872	(2,601,872)	-
Investment in partnership	-	(5,000)	-	(5,000)	-	(5,000)
Contributions to partnerships	(456,412)	-	-	(456,412)	-	(456,412)
Distributions from partnerships	1,089,088	450,000	-	1,539,088	-	1,539,088
Cash paid for fixed assets	-	(87,296)	-	(87,296)	-	(87,296)
Net cash (used in) provided by investing activities	(10,214,174)	1,301,546	-	(8,912,628)	(2,101,872)	(11,014,500)
Cash flows from financing activities						
Proceeds from line of credit	-	1,493,874	-	1,493,874	-	1,493,874
Payments on line of credit	-	(294,181)	-	(294,181)	-	(294,181)
Proceeds from notes payable	6,629,330	-	-	6,629,330	-	6,629,330
Payment on notes payable	(7,378,619)	(184,501)	-	(7,563,120)	-	(7,563,120)
Deferred income	-	(1,410,760)	-	(1,410,760)	-	(1,410,760)
Contingent deferred purchase obligation	-	-	-	-	-	-
Finance fees paid	(37,500)	-	-	(37,500)	-	(37,500)
Contributions from member	-	-	500,000	500,000	(500,000)	-
Distributions paid to members	-	(1,885,428)	(851,872)	(2,737,300)	2,601,872	(135,428)
Net cash used in financing activities	$ (786,789)	$ (2,280,996)	$ (351,872)	$ (3,419,657)	$ 2,101,872	$ (1,317,785)

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
Year Ended December 31, 2017

	POAH, Inc	POAH, LLC	POAHC, LLC	Subtotal	Elimination	Total
Net increase (decrease) in cash and cash equivalents	$ 1,695,789	$ 518,873	$ (32,265)	$ 2,182,397	$ -	$ 2,182,397
Cash and cash equivalents, beginning of year	2,761,693	3,777,402	1,447,092	7,986,187	-	7,986,187
Cash and cash equivalents, end of year	$ 4,457,482	$ 4,296,275	$ 1,414,827	$ 10,168,584	$ -	$ 10,168,584
Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 698,932	$ 246,636	$ -	$ 945,568	-	$ 945,568
Schedule of noncash investing activities						
Contributions of notes receivable	$ -	$ 4,990,360	$ -	$ 4,990,360	$ -	$ 4,990,360
Increase in interest on notes receivable for acquistions under common control	$ -	$ 92,838	$ -	$ 92,838	$ -	$ 92,838
Increase from purchase in non-controlling interest	$ 199,585	$ -	$ -	$ 199,585	$ -	$ 199,585

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Federal Agency/ (Pass-through Agency)/ Program Title	Federal CFDA Number	Other award Number	Expenditures From Pass-through Awards	Expenditures From Direct Awards	Total Expenditures	Passed through to Subrecipients
U.S. Department of Housing and Urban Development						
Home Investment Partnerships Program	14.239					
Passed through City of Framingham		N/A	$ 170,072	$ -	$ 170,072	$ -
Total Home Investment Partnerships Program			170,072	-	170,072	-
Choice Neighborhoods Implementation Grant	14.889					
Choice Neighborbood Implementation		IL5A507CNI110	-	11,258,497	11,258,497	2,098,181
Public Safety Enhancement		IL5A507CNS112	-	90,962	90,962	-
Total Choice Neighborhoods Implementation Cluster			-	11,349,459	11,349,459	2,098,181
U.S. Department of Treasury						
Community Development Financial Institutions Fund						
Capital Magnet Fund	21.011	N/A	-	4,300,000	4,300,000	-
Total Community Development Financial Institutions Fund			-	4,300,000	4,300,000	-
Corporation for National and Community Service						
Social Innovation Fund						
Passed through Local Initiatives Support Corporation	94.019	N/A	180,866	-	180,866	-
Total Social Innovation Fund			180,866	-	180,866	-
Total			$ 350,938	$ 15,649,459	$ 16,000,397	$ 2,098,181

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of Preservation of Affordable Housing, Inc. and Subsidiaries under various programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Preservation of Affordable Housing, Inc. and Subsidiaries, it is not intended to and does not present the consolidated financial position, statement of activities, functional expenses, changes in net assets, or cash flows of Preservation of Affordable Housing, Inc. and Subsidiaries.

The accounting policies of Preservation of Affordable Housing, Inc. and Subsidiaries conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, “Cost Principles for Non-Profit Organizations” and the principles contained in the Uniform Guidance.

Preservation of Affordable Housing, Inc. and Subsidiaries has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

During 2017, $2,268,253 was provided to three subrecipients.

During 2017, there was no non-cash assistance, or federal insurance.

As of December 31, 2017, there was one loan program outstanding in the amount of $170,072.

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Preservation of Affordable Housing, Inc. and Subsidiaries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preservation of Affordable Housing, Inc. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 29, 2017

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Report on Compliance for the Major Federal Program

We have audited Preservation of Affordable Housing, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program for the year ended December 31, 2017. Preservation of Affordable Housing, Inc. and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Preservation of Affordable Housing Inc. and Subsidiaries' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preservation of Affordable Housing Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Preservation of Affordable Housing Inc. and Subsidiaries' compliance.

Opinion on the Major Federal Program

In our opinion, Preservation of Affordable Housing Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of Preservation of Affordable Housing, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Preservation of Affordable Housing, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Affordable Housing, Inc. and Subsidiaries' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Preservation of Affordable Housing, Inc. and Subsidiaries' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Affordable Housing, Inc. and Subsidiaries' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
June 29, 2017

Preservation of Affordable Housing, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
December 31, 2017

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, were prepared in accordance with generally accepted accounting principles.

2. No significant deficiencies related to the audit of the consolidated financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.

3. No instances of noncompliance material to the consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. One significant deficiency in internal control over the major federal award program disclosed during the audit is reported in the Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award program for Preservation of Affordable Housing, Inc. and Subsidiaries expresses an unmodified opinion on the major federal program.

6. An audit finding that is required to be reported in accordance with 2 CFR section 200.516(a) is reported in this Schedule.

7. The program tested as a major program was: Capital Magnet Fund (CFDA Number 21.011)

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Preservation of Affordable Housing, Inc. and Subsidiaries was determined to be a low-risk auditee.

B. Findings - Consolidated Financial Statements Audit

None

Schedule of Findings and Questioned Costs
December 31, 2017

C. Findings and Questioned Costs - Major Federal Award Programs Audit

Finding 2017-001: Policies and Procedures (Significant Deficiency)

Grantor: Community Development Financial Institutions Fund
Federal Program Name: Capital Magnet Fund
CFDA Number: 21.011

Criteria
Internal controls should be designed, documented and implemented to ensure that the Project-Level Targeted Income requirements are met. At least twenty percent (20%) of the units in each rental project produced or supported by eligible project costs of the Capital Magnet Fund ("CMF") are for very low-income (at or below 50% AMI) or extremely low-income (at or below 30% AMI) families. A certification listing by property should be maintained and updated on a regular basis as tenant certifications are completed so the number and percentage of very low-income or extremely low-income families are accurate.

Condition

During our test of forty (40) selections from units produced or supported by the CMF it was noted that one (1) selection was listed as a very low income household (50% AMI). The certification provided from the tenant's lease file dated October 2017 showed that the tenant did not meet the very low income requirement. The certification listing was not updated to remove the household as a very low income household until March 2018.

Cause
Multiple subsidies exist on the projects supported by the CMF and the certification listing was not updated for one household out of forty households selected for testing.

Effect or Potential Effect
The certification listing may not be accurate and project-level targeted income percentages may not be accurate.

Recommendation
POAH should enhance their policies and procedures to ensure that internal controls are designed, documented and implemented to ensure that the Project-Level Targeted Income percentages are accurate by updating the certification listing on a regular basis as tenant income certifications are completed.

Reporting Views of Responsible Officials
The household that was tested resides at a property which uses a bifurcated recertification system for HUD and LIHTC programs. The change in the household's income was found by management during the LIHTC certification process but it failed to use the revised information to update the certification listing. Management is working on a process to combine the recertification process to jointly track HUD and LIHTC certifications and to update the certification listing after every certification.

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APPENDIX B-2

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF PRESERVATION OF AFFORDABLE HOUSING, INC. AND SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

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Preservation of Affordable Housing, Inc.
and Core Operating Subsidiaries

Consolidated Financial Statements

For the nine months ended September 30, 2021 and 2020
and December 31, 2020

Preservation of Affordable Housing, Inc. and Core Operating Subsidiaries

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Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
September 30, 2021 and December 31, 2020

	September 30, 2021	December 31, 2020
Current assets		
Cash and cash equivalents	$ 16,852,638	$ 14,545,173
Restricted cash	11,452,996	3,285,278
Reserves	4,747,357	4,946,482
Restricted reserves	3,707,108	1,167,964
Accounts receivable		
Grants receivable	1,317,440	1,515,000
Properties, net of allowance for doubtful accounts	8,461,500	9,127,516
Development fees	8,034,537	9,247,051
Other	708,572	156,892
Due from affiliates	1,236,778	397,562
Prepaid expenses	664,679	808,608
Note receivable, current	2,595,008	5,048,504
Interest on notes receivable	5,635,953	5,564,925
Predevelopment costs reimbursable, current	9,791,156	5,456,570
Tenant security deposits	25,281	23,649
Total current assets	75,231,003	61,291,174
Other assets		
Notes receivable, net of discount	154,350,102	144,236,637
Investment in partnerships	21,954,487	23,542,876
Predevelopment costs reimbursable, net of current	4,023,497	2,615,895
Other assets	798,719	939,569
Total other assets	181,126,805	171,334,977
Fixed assets		
Land and buildings	938,747	938,747
Furniture, equipment and leasehold improvements	1,143,286	1,143,286
Less: Accumulated depreciation	(482,709)	(354,372)
Total fixed assets	1,599,324	1,727,661
Total assets	$ 257,957,132	$ 234,353,812

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Financial Position
September 30, 2021 and December 31, 2020

	September 30, 2021	December 31, 2020
Liabilities		
Current liabilities		
Accounts payable	$ 328,270	$ 1,339,488
Accrued expenses	1,384,668	1,552,843
Accounts payable - development	7,110	5,800
Accrued interest	184,252	230,872
Loan payable, current	7,602,858	6,245,774
Line of credit, current	1,776,722	2,076,722
Deferred liabilities, current	31,275	32,419
Tenant security deposit	25,244	25,244
Prepaid revuenue	31	7,107
Due to affiliates	564,559	772,077
Total current liabilities	11,904,989	12,288,346
Long-term liabilities		
Loans and notes payable, net of current	38,946,142	37,981,839
Line of credit, net of current	2,475,368	751,929
Accrued interest payable - notes payable	1,115,780	957,290
Deferred liabilities, net of current	375,864	421,913
Deferred income	87,217,947	76,191,102
Total long-term liabilities	130,131,101	116,304,073
Total liabilities	142,036,090	128,592,419
Net assets		
Net assets without donor restrictions controlling	108,364,115	97,222,307
Net assets without donor restrictions noncontrolling	420,214	886,618
Total net assets without donor restrictions	108,784,329	98,108,925
Net assets with donor restrictions	7,136,713	7,652,468
Total net assets	115,921,042	105,761,393
Total liabilities and net assets	$ 257,957,132	$ 234,353,812

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
For the nine months ended September 30, 2021 and 2020

	Net assets without donor restrictions	Net assets with donor restrictions	Total 2021	Total 2020
Support and revenue				
Rental income	$ 181,709	$ -	$ 181,709	$ 144,335
Grant income	17,373	674,940	692,313	495,877
Grant income, capital investments	764,500	-	764,500	151,581
Contribution income	3,570	-	3,570	-
Developer fee revenue	9,905,442	-	9,905,442	7,670,396
Cash flow from properties	3,323,625	-	3,323,625	2,553,008
Property management and accounting service fees	8,633,348	-	8,633,348	7,832,136
Gain on receipt of mortgage note	1,191,236	-	1,191,236	1,663,058
Gain on prepayment of notes receivable	262,196	-	262,196	90,386
Gain on debt forgiveness	5,557,220	-	5,557,220	-
Interest income	4,892,078	-	4,892,078	3,886,295
Investment income	752	-	752	1,137,009
Other income	34,432	51,847	86,279	322,062
	34,767,481	726,787	35,494,268	25,946,143
Net assets released from restrictions	1,242,542	(1,242,542)	-	-
Total support and revenue	36,010,023	(515,755)	35,494,268	25,946,143
Expenses				
Personnel	12,796,685	-	12,796,685	11,904,849
Development expense	1,472,427	-	1,472,427	1,554,094
Professional services	1,185,465	-	1,185,465	907,884
Contributions and grants made	47,400	-	47,400	73,394
Rental and utilities	1,094,906	-	1,094,906	931,116
Taxes and insurance	445,333	-	445,333	373,784
Travel and lodging	201,573	-	201,573	251,855
Interest expense	1,490,622	-	1,490,622	1,366,490
Reimbursable salaries and expenses	3,550,589	-	3,550,589	-
Property operations	146,012	-	146,012	163,679
Property mortgage interest	26,398	-	26,398	26,345
Office and administration	1,068,755	-	1,068,755	904,793
Depreciation and amortization	157,922	-	157,922	128,124
Community impact	2,010,698	-	2,010,698	1,568,385
Bad debt expense	7	-	7	-
Miscellaneous	59,680	-	59,680	52,504
Total expenses	25,754,472	-	25,754,472	20,207,296
Excess of revenue over expenses	10,255,551	(515,755)	9,739,796	5,738,847
Excess of revenue over expenses attributable to noncontrolling interests	(59,863)	-	(59,863)	(103,970)
Excess of revenue over expenses attributable to the Company	$ 10,195,688	$ (515,755)	$ 9,679,933	$ 5,634,877

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
For the nine months ended September 30, 2021

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2021	$ 97,222,307	$ 886,618	$ 98,108,925	$ 7,652,468	$ 105,761,393
Distribution to noncontrolling member	-	(526,267)	(526,267)	-	(526,267)
Other changes in equity	946,120	-	946,120	-	946,120
Excess of expenses over revenue attributable to noncontrolling interests	-	59,863	59,863	-	59,863
Excess of revenue over expenses attributable to the Company	10,195,688	-	10,195,688	(515,755)	9,679,933
Ending balance, September 30, 2021	$ 108,364,115	$ 420,214	$ 108,784,329	$ 7,136,713	$ 115,921,042

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
Nine months ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Excess of revenue over expenses	$ 9,739,796	$ 5,738,847
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Forgiveness of debt	(5,557,220)	-
Investment income (loss)	(752)	(1,137,009)
Depreciation and amortization	157,922	74,869
Amortization of debt issuance costs	34,109	25,457
Changes in		
Accounts receivable	1,666,820	(2,456,035)
Predevelopment costs reimbursable	(5,540,545)	(1,413,901)
Prepaid expenses and other assets	255,194	267,899
Accounts payable and accrued expenses	(1,000,317)	(1,932,581)
Prepaid and deferred revenues	7,846,343	97,894
Tenant security deposits, net	-	7,637
Due to affiliates, net	(1,390,788)	(102,538)
Net cash provided by (used in) operating activities	6,210,562	(829,461)
Cash flows from investing activities		
Escrow deposits and restricted reserves, net	-	1,100
Advances on notes receivable and accrued interest	(17,697,136)	(11,377,207)
Repayments of notes receivable and accrued interest	10,912,260	10,207,270
Purchase of limited partner interest	(1,132,525)	(46,932)
Distributions received from subsidiary	-	(2,859,362)
Contributions to partnerships	(28,848)	(30,946)
Distributions from partnerships	2,750,514	22,689
Cash paid for fixed assets	-	(736,347)
Net cash used in investing activities	(5,195,735)	(4,819,735)
Cash flows from financing activities		
Proceeds from line of credit	4,000,000	330,000
Payments on line of credit	(2,590,000)	(1,293,831)
Proceeds from notes and mortgages payable	8,815,288	20,214,245
Payment on notes and mortgages payable	(1,018,247)	(4,258,108)
Deferred income	3,126,233	(1,611,699)
Debt issuance costs paid	(5,000)	(26,250)
Distributions to members	(526,267)	(693,363)
Net cash provided by financing activities	11,802,007	12,660,994
Net increase in cash, cash equivalents, and restricted cash	12,816,834	7,011,798
Cash, cash equivalents, and restricted cash, December 31, 2020 and 2019	23,962,746	13,164,467
Cash, cash equivalents, and restricted cash, September 30, 2021 and 2020	$ 36,779,580	$ 20,176,265
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 1,300,162	$ 1,240,495
Schedule of noncash investing activities		
Increase in interest on notes receivable for acquisitions under common control	$ 198,321	$ 219,578

Notes to the Consolidated Financial Statements
For the nine months ended September 30, 2021 and 2020 and December 31, 2020

Note 1 - Organization

Preservation of Affordable Housing, Inc., ("POAH" or the "Company") was created to do exactly what its name suggests, preserve affordable housing stock. The Company is dedicated to the acquisition of and long-term ownership and operation of existing affordable housing properties.

The Company conducts its development and property management business through Preservation of Affordable Housing LLC ("POAH LLC") and its wholly owned subsidiary, POAH Communities LLC ("POAHC LLC"). The Company is located in Boston, Massachusetts, Kansas City, Missouri, Chicago, Illinois and Washington, DC.

At September 30, 2021 POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 128 entities that own, in the aggregate 12,515 units of affordable housing. POAH LLC is the managing member of POAH/Trinity Loan Holding Company, LLC ("PTLHC") and the sole member of POAH Woodlawn Station Master Tenant, LLC ("PWSMT"). At December 31, 2020, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 126 entities that own, in the aggregate 12,140 units of affordable housing.

Note 2 - Summary of significant accounting policies

Consolidation
The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the Company and its core operating subsidiaries, POAH LLC, POAHC LLC, PTLHC and PWSMT. In order to present the financial performance of its core companies, POAH has elected not to consolidate the financial statements of the limited partnership entities in this report. Financial Accounting Standards Board EITF 04-05 requires consolidation of certain limited partnership financial statements with those of its general partners or managing members. POAH prepares a full consolidation, under EITF 04-05, on an annual basis at December 31st.

Net asset classification
The company reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions. They are described as follows:

Net assets without donor restrictions – net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions.

Net Assets with donor restrictions – net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor- imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash equivalents
The company considers all highly investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Depreciation
Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated asset lives. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as direct deduction from the face amount of the permanent mortgage loan payable to which such costs relate. Amortization of the debt issuance costs is reported as a component of interest expense on the consolidated statements of activities and is computed using an imputed interest rate on the related loan.

Accounts receivable
Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Grants receivable
Grants receivable represents grant funds committed but not yet received at September 30, 2021. Grant receivable are stated at the amount management expects to be collected from the outstanding balance. As of September 30, 2021, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Contribution revenue
In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulation specify how donated assets must be used.

Predevelopment costs reimbursable
The Company carries all third-party costs associated with the potential acquisition of investment properties as predevelopment costs reimbursable. Costs associated with potential acquisitions that are not deemed probable to be recovered are expensed.

Noncontrolling interests
Noncontrolling interest in POAH LLC represents the proportional share of equity and operations of PTLHC that is not attributable to POAH LLC's interest in the entity. At September 30, 2021 and December 31, 2020, the noncontrolling member's interest totals $420,214 and $886,618, respectively.

Investment in partnerships
POAH and POAH LLC's investment in limited partnerships are accounted for under the equity method of accounting as POAH LLC does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for the POAH LLC's share of undistributed earnings or losses.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

Rental income from leases on commercial space is recognized on a straight-line basis over the period of the commercial lease.

Revenue from development fees, property management and related fees, and other contractual services is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Contribution revenue is recognized when an unconditional promise to give a financial asset is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

See Note 9 for a further discussion of the Company's revenues.

Reclassifications
Certain items from the prior year financials have been reclassified to conform to the current year presentation.

Note 3 - Notes receivable

The Company, as the sponsor of the entities that own the affordable housing developments, holds various notes receivable from the entities. Certain notes were contributed to the Company by the Department of Housing and Urban Development ("HUD") in connection with the Mark-to-Market restructuring. The notes bear interest at various rates, are generally secured but subordinate to the first mortgages on the properties and are payable from available cash flow. The notes, at the time of receipt by the Company, were recorded at a discount rate reflecting the present value of future projected cash flows. The discount rate was 17% for notes received prior to 2005 and 20% for notes received thereafter. The interest income that is received by the Company is recorded based on the amortization schedules at the discounted note values. Payments received in excess of the amortization schedules are recorded to income in the year of the excess payment.

Other loans have been originated by the Company and were funded by reserves or represent seller financing provided to the affordable housing development. These notes have been recorded simultaneously with a deferred gain (See Note 8).

Management has established an allowance for amounts deemed uncollectible in the amount of $5,393,386 as of September 30, 2021 and December 31, 2020.

A summary of the notes receivable and accrued interest is as follows:

	Balance at September 30, 2021	Balance at December 31, 2020
Mark-to-market loans, bearing interest from 1% to 5.5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2034, net of discount of $21,471,914.	$ 4,770,637	$ 4,770,637
Resale loans, bearing interest from 2.64% to 12%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061, net of allowance of $2,067,168.	50,072,220	50,306,130
Reserve loans, bearing interest from 0% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058, net of allowance of $1,106,884.	19,757,995	20,120,960
State tax credit loans, bearing interest from 0% to 4%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	25,306,566	25,306,566
Grant fund loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2061.	26,881,082	27,100,297
Deferred developer fee loans, bearing interest from 2.62% to 5.09%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055, net of allowance of $270,000.	555,000	555,000
Other loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057, net of allowance of $1,949,334.	27,672,130	19,098,223
Seller loans, bearing interest from 1% to 8%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2057.	1,929,480	2,027,328
Accrued interest	5,554,096	5,368,726
	$ 162,499,206	$ 154,653,867

In 2014, a change was implemented relating to properties purchased and controlled by entities wholly owned by the Company and subsequently sold to limited partnerships (“LP’s”) where the Company retains a general partner or controlling interest. Under common control accounting guidance, the acquired assets on the acquiring entity’s books are recorded at the net book value as reflected on the selling entity’s books at the date of the acquisition and not at the fair value as determined by an appraisal. The net book value is typically less than the fair value purchase price of the acquired assets.

In prior years the fair value gain on sale was recognized by the Company or POAH LLC as a seller note receivable and related deferred gain. The change in guidance, effective for the year ended

December 31, 2014, precludes recording these notes and deferred gain on the Company's consolidated statement of financial position or POAH LLC's balance sheet.

At September 30, 2021 and December 31, 2020, notes receivable totaling $15,441,679 and $16,189,477, respectively, are assets of the Company, however, they are not reflected as a component of notes receivable on the consolidated statement of financial position because they represent notes receivable related to acquisitions under common control. The Company records cash payments on such notes receivable and interest income as a component of equity. At September 30, 2021, interest income in the amount of $198,321 is recorded as a component of equity. At September 30, 2021, principal payments in the amount of $747,799 is recorded as a component of equity.

A summary of these common control notes receivable and accrued interest at year end is as follows:

	Balance at September 30, 2021	Balance at December 31, 2020
Resale loans, bearing interest from 1.95% to 7%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2058.	$ 13,948,900	$ 14,303,328
Reserve loans, bearing interest from 3.2% to 5%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2055.	1,492,779	1,886,149
Accrued interest	81,857	196,199
	15,523,536	16,385,676
Common control assets not recorded	(15,441,679)	(16,189,477)
	$ 81,857	$ 196,199

Note 4 - Investment in partnerships

The Company, either as the sole member of the entity or the 100% owner of the general partner, has made capital contributions to some of the entities that own affordable housing developments. At September 30, 2021 and December 31, 2020, investment in properties is $20,521,996 and $23,429,919, respectively.

In May 2018, the Company purchased a non-controlling general partner interest in seven properties located in Cincinnati, OH. The investments are recorded using the equity method. The balance of this investment at September 30, 2021 and December 31, 2020 is $171,721. The investment balances of these properties are included in the investment in properties balances noted above.

POAH LLC acquires the limited partner interest in certain partnerships where an affiliate of POAH LLC is the general partner. Investments are recorded using the equity method. At September 30, 2021 and December 31, 2020, investment in partnerships is $1,432,491 and $112,957, respectively.

Note 5 - Loans and notes payable

Calvert Social Investment Foundation

In December 2015, the Company entered into an $8,000,000 loan commitment with Calvert Social Investment Foundation ("Calvert") for the purpose of furthering its activities as a non-profit organization engaged in community economic development. Interest accrues at the rate of 4.5% per annum. Payments of interest are due quarterly in arrears with the first principal payment with any accrued and unpaid interest due July 31, 2018 and the second principal payment with any accrued and unpaid interest due December 31, 2022. In June 2018, the maturity of the first principal payment was extended to July 31, 2019. In September 2019, the maturity of the first principal payment was extended to November 30, 2019. On November 30, 2019, the first principal amount was repaid in full as part of the POAH LLC credit facility with Calvert. During the nine months ended September 30, 2021 and 2020, interest expense of $136,500 and $137,000, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $4,000,000, and accrued interest is $0.

Local Initiative Support Corporation
In July 2012, the Company entered into a $5,000,000 line of credit loan with Local Initiative Support Corporation ("LISC") for the purpose of funding predevelopment costs. The line is collateralized by the mortgage note receivable from Hawthorne. Interest accrues at the rate of 6% per annum and is due monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project at the earliest to occur of closing of construction financing, refinancing, the eighteen month anniversary following disbursement of funds or the maturity date of October 2017. In May 2017, the line was increased to $6,500,000 and maturity date was extended to October 2022. During the nine months ended September 30, 2021 and 2020, interest expense of $50,198 and $133,726, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $1,115,500, and accrued interest is $5,577 and $0, respectively.

Low Income Investment Fund
In June 2015, the Company entered into a $5,000,000 loan commitment with Low Income Investment Fund (LIIF) for the purpose of funding predevelopment costs. The loan is collateralized by the mortgage note receivable from Blackstone. Interest accrues at the rate equal to the greater of the 5-year United States Treasury Rate plus 500 basis points (5.98% and 5.36% at September 30, 2021 and December 31, 2020, respectively) or 6.25% per annum. Payments of interest are due monthly and payments of principal and unpaid interest are due at the earlier of the closing and funding of any construction or permanent financing of the project loan or five-year anniversary of the first day of the first full month following the closing date. In April 2020, the maturity date was extended to October 1, 2020 and the interest rate was set at 6.6%. In September 2020, the maturity date was extended to January 1, 2021. In October 2020, the loan was paid off. During the nine months ended September 30, 2021 and 2020, interest expense of $0 and $111,956, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $0, and accrued interest is $0.

Boston Private Bank & Trust Company
In June 2018, the Company entered into a $5,000,000 loan commitment with Boston Private Bank & Trust Company. The loan is collateralized by the mortgage note receivable from Kenmore. The loan bears interest at 4.97%, requires monthly principal and interest payments on a fifteen-year amortization, has a ten-year term and matures on June 1, 2028. During the nine months ended September 30, 2021 and 2020, interest expense of $164,559 and $174,675, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $4,243,005 and $4,436,052, respectively, and accrued interest is $0.

The Model Group
On May 31, 2018, the Company entered into a $1,050,000 loan agreement with The Model Group for the purpose of funding the purchase of general partner interests in 18 properties and management contracts. Interest accrues at 2.18%. Annual payments of $350,000 of principal and accrued interest

shall be made each May 31st through maturity, May 31, 2021. In June 2021, the loan was paid off. During the nine months ended September 30, 2021 and 2020, interest expense of $2,543 and $8,902, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $0 and $350,000, respectively, and accrued interest is $0 and $5,087, respectively.

MHIC CMF - Whittier
In January 2019, the Company entered into a $2,000,000 loan agreement with MHIC CMF Affordable Housing Fund I LLC for the purpose of funding predevelopment costs related to the Whittier Phase 2 project. Interest accrues at 4% and requires monthly interest payments. The outstanding principal and accrued interest are due at maturity, July 31, 2020. The loan is collateralized by the mortgage note receivable from Peters Grove. In July 2020, the loan was paid off. During the nine months ended September 30, 2021 and 2020, interest expense of $0 and $36,253, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $0 and accrued interest is $0.

Arc Chicago, LLC
In March 2020, the Company entered into a $5,000,000 loan agreement with Arc Chicago, LLC for the purpose of acquisition and preservation properties in communities in Chicago and surrounding suburbs that have experienced historic disinvestment and/or where residents are at risk of displacement due to gentrification. Interest accrues at 5.00% per annum, commencing on July 1, 2020. Payments of interest are due on the first day of each quarter, and payments of principal are due in three installments on March 27, 2028, March 27, 2029, and March 27, 2030. Interest payments for 2020 have been deferred and will be due at the time of the final principal payment. During the nine months ended September 30, 2021 and 2020, interest expense of $168,406 and $62,646, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $6,000,000 and $3,770,000, respectively, and accrued interest is $136,801 and $109,771, respectively.

Community Economic Development Assistance Corporation
In September 2020, the Company entered into a $500,000 predevelopment loan agreement with Community Economic Development Assistance Corporation for the purpose of funding predevelopment related costs related to the development of 950 Falmouth Road in Mashpee, MA. Interest accrues at 3% per annum. All unpaid principal and accrued interest are due at the time of the project construction closing. During the nine months ended September 30, 2021 and 2020, interest expense of $5,451 and $0, respectively, was recorded on the consolidated statement of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $242,251, and accrued interest is $5,774 and $323, respectively.

Greater Cincinnati Foundation
In December 2020, the Company entered into a $1,000,000 loan agreement with The Greater Cincinnati Foundation for the purpose of acquiring and preserving 100 or more units of affordable housing in greater Cincinnati. The loan is revolving until December 31, 2027 and interest accrues at 2.50% per annum. Interest payments are due annually in arrears beginning on December 31, 2021. Principal payments are due in consecutive equal annual payments beginning on December 31, 2028 with all unpaid principal and interest due on December 31, 2030. During the nine months ended September 30, 2021 and 2020, interest expense of $18,750 and $0, respectively, was recorded on the consolidated statement of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $1,000,000, and accrued interest is $19,983 and $1,233, respectively.

Merchants Bank of Indiana
In June 2021, the Company entered into a $5,250,000 loan agreement with Merchants Bank of Indiana for the purpose of funding acquisition and redevelopment of Island Terrace in Chicago, Illinois. The note accrues interest equal to the Floating Interest Rate with a floor of 3.75% (3.75% at September 30, 2021) and is payable monthly. All unpaid principal and accrued interest are due on the maturity date which is the earlier of (i) July 10, 2024, or (ii) by default. The loan proceeds have been loaned to POAH Island Terrace, LLC. During the nine months ended September 30, 2021, interest expense of $50,313 was recorded on the consolidated statement of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $5,250,000 and accrued interest is $0.

Local Initiatives Support Corporation - revolving line of credit
In July 2021, POAH INC entered into a $7,750,000 revolving line of credit with Local Initiatives Support Corporation for the purpose of funding predevelopment costs and acquisition for properties across LISC and POAH's shared geography ("Project"). Interest accrues at 4.75% per annum and is due monthly. Any outstanding principal disbursed for underlying Projects will be due at the earlier of (i) that project's construction financing closing; (ii) no more than 36 months from the date of the first disbursement for that Project. All outstanding principal and interest will be due at the end of the Loan term, 60 months. In October 2021 the line of credit was transferred to POAH LLC. During the nine months ended September 30, 2021, interest expense of $0, respectively, was recorded on the consolidated statement of activities. At September 30, 2021, the outstanding principal balance is $0, and accrued interest is $0.

BlueHub Loan Fund - energy conservation
In December 2014, POAH LLC entered into a $2,000,000 line of credit agreement with BlueHub Loan Fund (formerly known as Boston Community Loan Fund Inc.) for the purpose of funding energy conservation improvements. Interest accrues at 5% and is payable monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project five years after the issuance of a term note. Funds can be drawn until February 28, 2017. In April 2020, the loan was paid off. During the nine months ended September 30, 2021 and 2020, interest expense of $0 and $220, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $0, and accrued interest is $0.

BlueHub Loan Fund - property acquisition
In June 2019, POAH LLC entered into a $880,000 loan agreement with BlueHub Loan Fund for the purpose of funding the acquisition of a property in Chicago, IL. Interest accrues at 3.50% per annum. Payments of interest are due monthly and are funded by loan proceeds through maturity, the earlier of (i) the date of closing of any construction loan or any other financing or equity source which is used to finance the project's development and/or operation of the project, and (ii) June 18, 2022. The loan proceeds have been loaned to POAH Roseland East 110th Place Hold Limited Partnership. During the nine months ended September 30, 2021 and 2020 interest expense of $22,816 and $22,101, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal is $869,828 and $846,996, respectively, and accrued interest is $2,537 and $2,553, respectively.

Life Insurance Community Investment Initiative - Briston Arms
In July 2015, POAH LLC entered into a $2,407,000 loan agreement with Life Insurance Community Investment Initiative, LLC ("Life initiative") for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 7%, compounded annually. Payments of principal and accrued interest are due annually in the amount of 80% of deferred development fee payments received from Briston Arms. All unpaid principal and

accrued interest are due on the maturity date of July 6, 2023. The loan proceeds have been loaned to Briston Arms. During the nine months ended September 30, 2021 and 2020, interest expense of $59,092 and $63,473, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $1,063,557, and accrued interest is $108,725 and $49,633, respectively.

Cambridge Affordable Housing Trust - Briston Arms
In July 2015, POAH LLC entered into a $2,400,000 loan agreement with Cambridge Affordable Housing Trust for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 4%. Payments of principal and accrued interest are due annually in an amount equal to the EV Income Payments as defined in the agreement. After full repayment of the Life Initiatives note, all unpaid principal and accrued interest is due on the maturity date of June 30, 2035. The loan proceeds have been loaned to Briston Arms. During the nine months ended September 30, 2021 and 2020, interest expense of $72,000 was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $2,400,000 and accrued interest is $599,733 and $527,733, respectively.

Life Insurance Community Investment Initiative - revolving line of credit
In June 2019, POAH LLC entered into a $1,000,000 revolving line of credit with Life Initiative for the purpose of funding predevelopment costs for properties in Massachusetts. Interest accrues at 5.5% and is due quarterly. Payments of principal are due at the closing of the acquisition of the properties. All unpaid principal and accrued interest are due on the maturity date of May 29, 2024. Disbursements that are repaid can be reborrowed, assuming loan criteria are met. The line is collateralized by the mortgage note receivable from Eastgate. In April 2020, the line of credit was increased to $2,000,000. During the nine months ended September 30, 2021 and 2020, interest expense of $53,476 and $42,771, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $1,973,809 and $861,353, respectively, and accrued interest is $0 and $16,389, respectively.

Ohio Housing Finance Agency
In May 2018, various notes payable were assigned to POAH LLC as part of a portfolio acquisition. The six notes, totaling $2,157,996 with the Ohio Housing Finance Agency ("OHFA") were funded from Housing Development Assistance Program ("HDAP") funds for the purpose of funding development costs for various properties in Cincinnati, OH. Interest accrues at 2% per annum. Payments of principal and accrued interest are due annually in an amount equal to payments of 50% of the cash flow, as defined in the agreement, from the respective properties. The maturity dates range from December 2022 to December 2042. During the nine months ended September 30, 2021 and 2020, interest expense of $27,398 and $27,498, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal is $1,831,544 and accrued interest is $407,322 and $379,924, respectively.

MHIC CMF - Bedford Village
In June 2019, POAH LLC entered into a $528,000 loan agreement with MHIC CMF Affordable Housing Fund LLC for the purpose of funding development costs at Bedford Village in Bedford, MA. Interest accrues at 4% per annum. Payments are due annually subject to the property's cash flow, and any unpaid principal and accrued interest are due at maturity, June 1, 2027. During July 2019, loan proceeds of $475,200 were received. The loan proceeds have been loaned to Bedford Village Preservation Associates Limited Partnership. The loan was paid in full in May 2021. During the nine months ended September 30, 2021 and 2020, interest expense of $6,970 and $14,256, respectively, is included in interest expense on the consolidated statements of activities. At September 30, 2021

and December 31, 2020, the outstanding principal is $0 and $475,200, respectively, and accrued interest is $0 and $28,512, respectively.

Calvert Social Investment Foundation
In December 2019, POAH LLC entered into a $15,000,000 syndicated revolving credit facility with Calvert Social Investment Foundation for the purpose of funding its development and acquisition activities. Interest accrues at the rate of the Five-Year Constant Maturity US Treasury Rate plus 2.5% (3.48% and 2.86% at September 30, 2021 and December 31, 2020, respectively). Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of December 31, 2024. For the nine months ended September 30, 2021 and 2020, interest expense of $210,893 and $203,391, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $6,750,000, and accrued interest is $0.

In June 2020, POAH LLC entered into a $4,000,000 loan agreement with Calvert Social Investment Foundation for the purpose of bridging the syndicated revolving credit facility. Interest accrues at the rate of 4%. Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of June 11, 2021. In June 2021, the maturity date was extended to December 11, 2021 and in November 2021, the maturity date was extended to March 11, 2022. For the nine months ended September 30, 2021 and 2020, interest expense of $121,333 and $20,444, respectively, was recorded on the consolidated statement of activities. At December 31, 2020, the outstanding principal balance is $4,000,000 and accrued interest is $0.

The Prudential Insurance Company of America
In July 2020, POAH LLC entered into a $5,000,000 loan agreement with The Prudential Insurance Company of America. POAH LLC used the proceeds of the loan to make a loan to POAH Support Corporation 2, an entity related to POAH INC, who will then use those proceeds as qualified equity investments into various community development entities that will then use the investments to fund a qualified low-income community investment to POAH DD Sugar Hill, LLC, which operates a property in Detroit, MI. Interest accrues at 4.25% per annum. Payments of interest only are due monthly commencing on August 1, 2020 to July 9, 2022. Thereafter payments of principal and interest are due monthly on a twenty-year amortization. Any outstanding balances will be made on the maturity date of January 9, 2028. For the nine months ended September 30, 2021 and 2020, interest expense of $159,375 and $48,403, respectively, was recorded on the consolidated statement of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $5,000,000 and accrued interest is $0 and $17,708, respectively.

Community Ventures 2011, LLC
In April 2021, POAH LLC entered into a $200,000 loan agreement with Community Ventures 2011, LLC for the purpose of funding predevelopment costs at Levy House in Chicago, IL. The loan bears no interest and matures on the earliest to occur of (i) the date of closing and initial disbursement of the first mortgage loan for the Project, (ii) April 1, 2022, or (iii) by default. At September 30, 2021, the outstanding principal is $200,000, and accrued interest is $0.

Paycheck Protection Program Loan
In April 2020, POAHC entered into a $5,491,324 Small Business Administration (“SBA”) loan with Eastern Bank under the Paycheck Protection Program. The note accrues interest at 1% per annum. Payments of principal and interest are due monthly in the amount of $307,494 beginning in November 2020 with all unpaid principal and accrued interest due on the maturity date of April 15, 2022. Forgiveness of the full amount of the loan was applied for per the loan documents and in June 2021, POAHC received notice from its lender that the SBA approved forgiveness of the fill amount of the loan and the related interest thereon. For the nine months ended September 30, 2021, gain on debt

forgiveness of $5,557,220 was recorded on the consolidated statement of activities. For the nine months ended September 30, 2021 and 2020, interest expense of $26,629 and $25,426, respectively, was recorded on the consolidated statement of activities. At September 30, 2021 and December 31, 2020, the outstanding principal balance is $0 and $5,491,324, respectively, and accrued interest is $0 and $39,267, respectively.

Chicago Community Loan Fund
In December 2017, PWSMT entered into a $350,000 loan agreement with Chicago Community Loan Fund for the purpose of funding retail development costs at Woodlawn Station, a property in Chicago, IL, being developed by POAH LLC. Interest accrues at 5% per annum. Payments of interest only are due monthly. All unpaid principal and accrued interest are due on the maturity date of December 1, 2025. In September 2019, the loan was increased to $700,000. During the nine months ended September 30, 2021 and 2020, interest expense of $26,398 and $26,345, respectively, was included in interest expense on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, the outstanding principal is $692,314, and accrued interest is $2,885 and $2,981, respectively.

Debt issuance costs
As of September 30, 2021, unamortized debt issuance costs related to these loans total $82,808 consist of financing costs of $181,960 less accumulated amortization of $99,152. As of December 31, 2020, unamortized debt issuance costs related to these loans total $98,478 consist of financing costs of $176,960 less accumulated amortization of $78,482. For the nine months ended September 30, 2021 and 2020, $20,670 and $19,802 of amortization was incurred and is included in interest expense on the consolidated statements of activities.

Loan balances
The balances as included in the accompanying consolidated statement of financial position as of September 30, 2021 and December 31, 2020 are summarized as follows:

Lender	Current Portion	Long-term Portion	Total Balance at September 30, 2021	Current Portion	Long-term Portion	Total Balance at December 31, 2020
Calvert	$ -	$ 4,000,000	$ 4,000,000	$ -	$ 4,000,000	$ 4,000,000
LISC	300,000	815,500	1,115,500	300,000	815,500	1,115,500
Boston Private	259,221	3,983,784	4,243,005	259,221	4,176,831	4,436,052
The Model Group	-	-	-	350,000	-	350,000
Arc Chicago	-	6,000,000	6,000,000	-	3,770,000	3,770,000
CEDAC	-	242,251	242,251	-	242,251	242,251
Greater Cincinnati	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Merchants Bank of Indiana	-	5,250,000	5,250,000	-	-	-
BlueHub - LLC	869,828	-	869,828	-	846,996	846,996
Life Initiative - LLC	-	1,063,557	1,063,557	-	1,063,557	1,063,557
CAHT - LLC	-	2,400,000	2,400,000	-	2,400,000	2,400,000
Life Initiative - LLC	1,973,809	-	1,973,809	861,353	-	861,353
OHFA - LLC	-	1,831,544	1,831,544	-	1,831,544	1,831,544
MHIC - LLC	-	-	-	475,200	-	475,200
Calvert - LLC	4,000,000	6,750,000	10,750,000	4,000,000	6,750,000	10,750,000
Prudential - LLC	-	5,000,000	5,000,000	-	5,000,000	5,000,000
Community Ventures 2011 - LLC	200,000	-	200,000	-	-	-
PPP - POAHC	-	-	-	-	5,491,324	5,491,324
CCLF - PWSMT	-	692,314	692,314	-	692,314	692,314
Unamortized	-	(82,808)	(82,808)	-	(98,478)	(98,478)
	$ 7,602,858	$ 38,946,142	$ 46,549,000	$ 6,245,774	$ 37,981,839	$ 44,227,613

Note 6 - Line of credit - Boston Private Bank

In January 2013, POAH LLC entered an agreement for a revolving demand line of credit note with Boston Private Bank & Trust Company. In April 2019, the line was increased to $6,000,000, the maturity date was extended to March 29, 2022, and Eastern Bank was added as a participant in the line. The note accrues interest equal to the Prime Rate with a floor of 3.25% (3.25% at September 30, 2021 and December 31, 2020) and is payable monthly. The line is collateralized by the mortgage notes receivable from Franklin. In April 2020, the line was temporarily increased to $7,000,000 with the increase terminating on October 29, 2021. In October 2021, the line was permanently increased to $7,000,000 and the maturity date was extended to October 29, 2024. During the nine months ended September 30, 2021 and 2020, interest expense of $94,828 and $96,356, respectively, was recorded on the consolidated statements of activities. At September 30, 2021 and December 31, 2020, $4,277,830 and $2,867,830, respectively, is outstanding on the line and accrued interest is $10,695 and $7,049, respectively.

In November 2020, the line was expanded to include a $2,000,000 organizational standby revolving credit facility for the purpose of providing standby letter of credits to support the Company's development activities. Each letter of credit shall have a term of no greater than five years. At September 30, 2021 and December 31, 2020, $1,571,372 and $250,000 are outstanding on the credit facility.

As of September 30, 2021 and December 31, 2020, the outstanding principal on the line of credit less unamortized debt issuance costs was $4,252,090 and $2,828,651, respectively. As of September 30, 2021 and December 31, 2020, unamortized debt issuance cost of $25,740 and $39,179, respectively. During the nine months ended September 30, 2021 and 2020, amortization expense incurred was $13,439 and $5,655, respectively.

Note 7 - Related party transactions

Notes and other receivables from affiliates
At September 30, 2021 and December 31, 2020, POAH Inc.'s and POAH LLC's notes receivable and accounts receivable are amounts receivable from limited partnerships in which the Company is a general partner.

Administrative salaries and costs
The Company provides various services related to the administration of POAH LLC. For the nine months ended September 30, 2021 and 2020, POAH LLC incurred $6,276,560 and $6,001,546, respectively, for compensation, overhead and rent from the Company.

Property management and related fees
Property management and related fees were earned by POAHC for the nine months ended September 30, 2021 and 2020 are $8,349,795 and $7,607,311, respectively, from related properties. At September 30, 2021 and December 31, 2020, $5,207,441 and $7,175,612, respectively, is due from related parties for services and advances net of an allowance for doubtful accounts which is estimated to be $998,271.

Development fee and other revenue from properties
For the nine months ended September 30, 2021 and 2020, the Company and POAH LLC earned development fee revenue and fees from properties as follows:

	2021	2020
Development fee paid from development sources	$ 7,584,683	$ 1,639,560
Development fee paid from cash flow	2,254,640	5,394,688
Other fee revenue	66,119	636,148
	9,905,442	7,670,396
Cash flow fees from certain related properties	3,323,625	2,553,008
	$ 13,229,067	$ 10,223,404

At September 30, 2021 and December 31, 2020, $12,052,999 and $12,095,412, respectively, is due from related properties for development and cash flow fees. At September 30, 2021 and December 31, 2020, development fees received but not yet earned are $679,311 and $778,698, respectively, and is shown as a component of deferred income on the consolidated statements of financial position.

Due from related party

At September 30, 2021 and December 31, 2020, POAH LLC owes POAH INC page $648,181 and $589,995, respectively, for compensation, fee, office rent, reimbursable expenses, development related expenditures and note payments, and is eliminated in consolidation.

At September 30, 2021 and December 31, 2020, POAHC owes POAH INC $154,515 and $608,259, respectively, for advances made on POAHC's behalf for operating activities, and is eliminated in consolidation.

At September 30, 2021 and December 31, 2020, PWSMT owes POAH INC $260,181 for advances for development costs.

At September 30, 2021 and December 31, 2020, certain related properties owe POAH INC $279,357 and $34,232, respectively, for reimbursement of development costs.

Due to related party

At September 30, 2021 and December 31, 2020, POAH INC owes POAH LLC $1,876,436 and $1,871,301, respectively, for advances made on POAH INC's behalf for required reserves, note payments and acquisitions, and is eliminated in consolidation.

At September 30, 2021 and December 31, 2020, POAH INC owes POAH LLC $3,316,546 and $2,245,870, respectively, for predevelopment costs, and is shown as a component of predevelopments costs reimbursable on the consolidated statements of financial position, and $3,114,903 and $2,245,870, respectively, is eliminated in consolidation.

At September 30, 2021 and December 31, 2020, POAH INC owes POAHC $314,231 and $723,198, respectively, for salaries and miscellaneous operating expenses, and is eliminated in consolidation.

At September 30, 2021 and December 31, 2020, POAH INC owes certain related properties $100,542 and $509,534, respectively, for advances.

Note 8 - Deferred gain

The Company has purchased various properties and then sold those properties to limited partnerships in which an affiliate of the Company serves as general partner. This related party sale results in a deferred gain.

As part of the purchase of certain of these properties, the Company acquired reserve funds. The Company then used those reserve funds to either fund general partner capital contributions or provide loans to related limited partnerships.

The following is a summary of the deferred gains and related notes receivable:

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable	
Pocasset Manor Apartments	$ 4,589,201	$ 2,340,000	$ 1,067,857	$ 1,181,344	(1)
Hillcrest Village Apartments	300,000	300,000	-	-	
Bridle Path Apartments	2,613,236	844,160	-	3,049,285	(2)
Chestnut Garden Apartments	1,727,285	1,727,285	-	-	
Dom Narodowy Polski Apartments	965,490	912,273	-	53,217	(2)
Eastgate Apartments	6,242,014	3,196,804	-	3,045,210	(2)
Heritage Village II Apartments	4,668,132	1,639,308	-	3,028,824	(3)
New Horizons	200,000	200,000	-	-	
Cromwell Court	872,000	872,000	-	-	
Blackstone	16,658,507	12,485,719	-	4,172,788	(4)
Franklin	16,676,301	16,676,301	-	-	
Kenmore Abbey	17,722,502	12,182,798	-	5,539,704	(5)
Peter's Grove	626,994	626,994	-	-	
Rock Harbor	355,416	355,416	-	-	
King's Landing	2,400,000	2,400,000	-	-	
Grace	157,646	-	-	-	
Cherry Hill	444,276	-	-	444,276	(6)
Aaron Briggs	114,098	-	-	114,098	(6)
Tribune	175,800	-	-	175,800	
Brandy Hill	1,356,610	-	-	1,356,610	
South Chicago	1,415,213	-	-	-	
Hawthorne	2,902,256	-	-	-	(7)
	83,182,977	56,759,058	1,067,857	22,161,156	
Gain recognized from receipt of principal payment in prior years	(7,550,395)	(3,957,064)	-	(3,593,331)	
Gain recognized from receipt of principal payment in 2021	(1,191,237)	(233,910)	-	(957,327)	
	$ 74,441,345	$ 52,568,084	$ 1,067,857	$ 17,610,498	

(1) Funds loaned to Pocasset, Hillside and Hillcrest
(2) Funds loaned to Fairweather, Chestnut Gardens and Dom Narodowy
(3) Funds loaned to Heritage and Fieldstone
(4) Funds loaned to Franklin and Rock Harbor
(5) Funds loaned to Franklin and Peter's Grove
(6) Funds loaned to Cherry Briggs

Note 9 - Revenue

Revenue is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services.

Development fee
Most development fees earned are paid from the Project's equity and debt proceeds at the completion of the construction of the Project. These fees are recognized over the development period beginning when the Project is assured of being constructed, as evidenced by the admission of an equity partner, and concluding with the approval of the cost certification of the respective housing credit agency.

The Company estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in *ASC Topic 606, Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the Project's influence, including insufficient equity and debt proceeds at the completion of the construction of the Project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- The Company's experience with similar types of agreements.
- Whether the Company expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the Company's estimate of the variable consideration using available information at the reporting date. Deferred development fees payable from property surplus cash are recognized at such time as there is available surplus cash.

Management service revenue
POAHC provides property management services on a contractual basis for owners of and investors in affordable housing properties. These services include management, marketing, building engineering, accounting, compliance, and financial services. POAHC is compensated for its services through a monthly management fee earned based on either a specified percentage of the monthly rental income, rental receipts generated from the property under management or a fixed fee. POAHC is also often reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

Note 10 - Commitments and contingencies

Lease commitments
The Company leases office space under a non-cancelable operating lease in Boston, MA, which expires June 30, 2020. The Company entered into a new non-cancelable operating lease in December 2019 that commenced in August 2020 and expires in October 2030. Rental expense, inclusive of operating costs, for the nine months ended September 30, 2021 and 2020 totaled $744,797 and $589,683, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Chicago, Illinois. In September 2017, a lease extension was executed that commenced in May 2018 and expires in April 2025. Rental expense, inclusive of operating costs, for the nine months ended September 30, 2021 and 2020 totaled $138,564.

POAH LLC leases office space under a non-cancelable operating lease in Washington, D.C. which expires in July 2022. Rental expense, inclusive of operating costs, for the nine months ended September 30, 2021 and 2020 totaled $57,199.

POAHC leased office space under a non-cancelable operating lease in Kansas City, Missouri, which expired in February 2018. POAHC entered into a new non-cancelable operating lease in November

2017 that commenced in March 2018 and expires in March 2025. Rental expense, inclusive of real estate taxes and operating costs, the nine months ended September 30, 2021 and 2020 totaled $119,893 and $116,760, respectively.

Future minimum lease payments under operating leases as of September 30, 2021 are as follows:

	INC	LLC	POAHC	Total
2022	949,488	264,640	153,266	1,367,394
2023	968,816	173,493	157,436	1,299,745
2024	988,144	176,020	161,607	1,325,771
2025	1,007,472	64,342	40,662	1,112,476
	$ 3,913,920	$ 678,495	$ 512,971	$ 5,105,386

Other commitments or contingencies
The Company or its affiliates serve as the general partner or managing member for various entities that are the owners of the affordable housing properties. The investors and in some cases the lenders in these entities usually require guarantees from POAH entities on behalf of the general partner or managing member as a condition to their investment. Generally, these guarantees are for obligations such as construction and rehabilitation completion, funding of operating deficits and tax credit recapture price adjusters.

A summary of the guarantees outstanding at September 30, 2021 is as follows. See Note 12 for a detail of these entities.

Entity	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at September 30, 2021
Jefferson	(1), (3)	N/A	N/A	December 2026	$970,894	$451,872
Oakland	(3)	N/A	N/A	N/A	N/A	N/A
Woodlen	(3)	N/A	N/A	N/A	N/A	N/A
Driftwood	(1), (3)	N/A	N/A	None	420,705	None
Crestview	(1), (3)	N/A	N/A	(7)	395,547	298,616
Washington Gardens	(1), (3)	N/A	N/A	N/A	N/A	53,761
Garfield Hills	(1), (3)	N/A	N/A	N/A	N/A	1,303,344
Hillside	(3)	N/A	N/A	N/A	N/A	N/A
Pocasset	(3)	N/A	N/A	N/A	N/A	N/A
Hillcrest	(3)	N/A	N/A	N/A	N/A	N/A
Bridle Path	(3)	N/A	N/A	N/A	N/A	N/A
Chestnut Gardens	(3)	N/A	N/A	N/A	N/A	N/A
Dom Narodowy	(3)	N/A	N/A	N/A	N/A	N/A
Eastgate	(3)	N/A	N/A	N/A	N/A	N/A
Fairweather	(3)	N/A	N/A	N/A	N/A	N/A
Fieldstone	(3)	N/A	N/A	N/A	N/A	N/A
Heritage	(3)	N/A	N/A	N/A	N/A	N/A
Cocheco	(3), (8)	N/A	N/A	N/A	N/A	N/A
United Front	(1), (3)	N/A	N/A	(7)	1,050,000	None
WCS	(1), (3), (6)	N/A	N/A	(7)	310,000	None
Sugar River	(1), (3)	N/A	N/A	(7)	815,000	None
New Horizons	(3)	N/A	N/A	N/A	N/A	N/A
CB Rental	(1), (3)	N/A	N/A	(7)	543,904	24,631
Cromwell	(3)	N/A	N/A	N/A	N/A	N/A
Renaissance	(1), (3)	N/A	N/A	(7)	886,000	N/A
Blackstone	(3)	N/A	N/A	N/A	N/A	N/A
Franklin	(3)	N/A	N/A	N/A	N/A	N/A
Kenmore	(3)	N/A	N/A	N/A	N/A	N/A
Peter's Grove	(3)	N/A	N/A	N/A	N/A	N/A

Preservation of Affordable Housing, Inc. and Core Operating Subsidiaries

Notes to the Consolidated Financial Statements
For the nine months ended September 30, 2021 and 2020 and December 31, 2020

Entity	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at September 30, 2021
Rock Harbor	(3)	N/A	N/A	N/A	N/A	50,387
WCN	(1), (3), (6)	N/A	N/A	(7)	162,500	None
Clay Pond Cove	(1), (3)	N/A	N/A	(7)	393,543	None
Kings Landing	(3)	N/A	N/A	N/A	N/A	N/A
Central Annex	(3), (9)	N/A	N/A	N/A	N/A	N/A
Torringford	(1), (3)	N/A	N/A	(7)	413,050	None
Grace	(3)	N/A	N/A	N/A	N/A	N/A
Old Middletown	(1), (3)	N/A	N/A	(7)	700,068	None
WP Senior	(1), (3), (6)	N/A	N/A	(7)	288,634	None
Harbor City	(3)	N/A	N/A	N/A	N/A	N/A
Dennis	(1), (3)	N/A	N/A	(7)	161,956	None
Lafayette	(1), (3)	N/A	N/A	(7)	548,000	None
Briston Arms	(1), (5)	N/A	N/A	(7)	4,475,000	None
Newberry	(1), (3)	N/A	N/A	(7)	524,914	None
Billings Forge	(1), (3), (8)	N/A	N/A	(7)	620,000	None
Cherry Briggs	(1), (3)	N/A	N/A	(7)	569,290	None
Trianon	(3), (5), (9)	N/A	5,500,000	N/A	N/A	278,682
Brandy Hill	(1), (3)	N/A	N/A	N/A	630,000	None
Founders	(1), (3)	N/A	N/A	N/A	300,055	None
Trinity Towers East	(1), (3)	N/A	N/A	N/A	660,404	None
Trinity Towers South	(1), (3)	N/A	N/A	N/A	881,300	None
Tribune	(1), (3)	N/A	N/A	N/A	441,155	None
Woodlawn Rollup	(1), (3)	N/A	N/A	N/A	1,232,956	665,917
Woodlawn Station	(1), (3), (5)	N/A	5,000,000	(7)	369,000	None
Oxford	(1), (3)	N/A	N/A	(7)	685,000	None
Whittier 1A-4	(1), (3)	N/A	N/A	(7)	532,000	None
Whittier 1A-9	(1), (3)	N/A	N/A	(7)	335,000	None
Bedford	(1), (3)	N/A	N/A	(7)	755,140	None
Greenwood	(1), (3)	N/A	N/A	(7)	928,300	None
JBL	(1), (2), (3)	(2)	N/A	(7)	400,000	394,519
Abigail Apartments	(1), (3)	N/A	N/A	(7)	247,500	87,695
Abington Race & Pleasant	(1), (3)	N/A	N/A	(7)	286,030	174,000
Baymiller Manor	(1), (3)	N/A	N/A	(7)	99,849	9,144
Burnet Place	(1), (3)	N/A	N/A	(7)	410,000	70,670
Losantiville Building	(1), (3)	N/A	N/A	(7)	379,922	28,427
Losantiville Evanston	(1), (3)	N/A	N/A	(7)	379,922	None
Magnolia Heights	(1), (3)	N/A	N/A	(7)	328,584	187,058
Navarre Garrone	(1), (3)	N/A	N/A	(7)	398,328	None
North Rhine Heights	(1), (3)	N/A	N/A	(7)	264,352	28,023
OTR Revitalization	(1), (3)	N/A	N/A	(7)	858,068	None
Pendleton Estates	(1), (3)	N/A	N/A	(7)	147,045	60,213
Villas of the Valley	(1), (3)	N/A	N/A	(7)	109,352	None
Villas of the Valley II	(1), (3)	N/A	N/A	(7)	101,632	None
Wesley Estates	(1), (3)	N/A	N/A	(7)	86,020	54,139
WH Mainstrasse	(1), (3)	N/A	N/A	(7)	156,531	None
Helton Pointe	(1)	N/A	N/A	(7)	65,000	None
South Suburban	(5)	N/A	2,254,586	N/A	N/A	N/A
Austin	(5)	N/A	4,500,000	N/A	N/A	N/A
Burnham Schoolhouse	(5)	N/A	8,500,000	N/A	N/A	N/A
Burnham Manor	(5)	N/A	1,650,000	N/A	N/A	N/A
Kerper Apartments	(5)	N/A	790,500	N/A	N/A	N/A
Whittier 2	(1), (3), (4), (5)	$34,704,358	765,363	(7)	688,781	None
Sugar Hill	(4), (5)	(2)	10,247,249	N/A	N/A	N/A
Gardner Terrace I & II	(4), (5)	(2)	5,650,000	N/A	N/A	N/A
South Chicago Salud	(1), (3), (4), (5)	(2)	1,658,467	(7)	804,220	N/A
Mattapan 4	(1), (3), (4), (5)	(2)	40,310,668	(7)	1,028,587	None
Mattapan 9	(1), (3), (4), (5)	(2)	9,015,896	(7)	189,589	None
Farrell House	(1), (3), (4), (5)	(2)	2,574,125	(7)	612,000	None
Beachwind	(1), (3), (4)	(2)	N/A	(7)	781,500	None
Hawthrone Place II	(1), (3), (4), (5)	(2)	40,357,584	(7)	3,050,000	None
Levy House	(5)	N/A	9,250,000	N/A	N/A	N/A
Brewster Wood	(1), (3), (4), (5)	(2)	7,058,175	(7)	212,500	None

Entity	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at September 30, 2021
Salem Heights II	(1), (3), (4), (5)	(2)	61,000,000	(7)	2,860,000	None
Island Terrace	(5)	N/A	21,300,000	N/A	N/A	N/A
Bartlett Lot D	(5)	N/A	17,471,549	N/A	N/A	N/A
19 E 110th Place	(1), (3), (4), (5)	(2)	6,000,000	(7)	405,040	None
5040 S Indiana	(1), (3), (4), (5)	(2)	5,985,000	(7)	373,360	None

Types of guarantees
(1) Operating deficits
(2) Construction rehabilitation completion, per agreement there is no limit on the amount of this guarantee
(3) Tax credit recapture price adjusters
(4) Construction completion and/or construction loan guarantee
(5) Loan guarantee
(6) Financing coverage guarantee
Other
(7) Two to five years from construction completion and/or breakeven.
(8) Annual commercial income guarantee
(9) Basic rent guarantee per Net Lease

Note 11 - Net assets with donor restrictions

The Company received the following grants which are included in net assets with donor restrictions at September 30, 2021 and December 31, 2020 for either time restrictions or restrictions related to specific program services:

	Balance at September 30, 2021	Balance at December 31, 2020
Home ownership assistance	$ 143,389	$ 143,389
Community resource center	272,406	410,882
Installation of artwork	15,000	15,000
Children savings accounts	67,555	67,555
Family Self Sufficiency	556,180	514,684
Community arts festival	9,945	9,945
Choice endowment	-	192,804
Capital Magnet Fund	4,300,000	4,300,000
Technology assistance	9,489	13,000
Rental assistance	-	45,125
Trauma-informed care	1,677,749	1,930,084
Covid Grant	10,000	10,000
Digital inclusion	75,000	-
	$ 7,136,713	$ 7,652,468

Note 12 - Limited partnerships and limited liability companies

As of September 30, 2021, the Company owns a general partner or managing member interest in the following entities:

Preservation of Affordable Housing, Inc. and Core Operating Subsidiaries

Notes to the Consolidated Financial Statements
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	Entity	Project Location	No. of Units
1)	Driftwood Preservation Associates Limited Partnership	Narragansett, RI	32
2)	Beachwinds II Preservation Associates Limited Partnership	Narragansett, RI	104
3)	Hillside Preservation Associates Limited Partnership	Providence, RI	42
4)	Pocasset Preservation Associates Limited Partnership	Providence, RI	82
5)	Hillcrest Preservation Associates Limited Partnership	Providence, RI	130
6)	Fieldstone Preservation Associates Limited Partnership	Narragansett, RI	24
7)	Heritage Preservation Associates Limited Partnership	North Kingstown, RI	204
8)	Grace Preservation Associates Limited Partnership	Providence, RI	101
9)	Cherry Briggs Preservation Associates Limited Partnership	Johnston & Providence, RI	160
10)	Oxford Preservation Associates Limited Partnership	Providence, RI	128
11)	Jefferson Maison East Limited Dividend Housing Association LLC	Detroit, MI	280
12)	Oakland Grand Haven Limited Dividend Housing Association LLC	Troy, MI	297
13)	POAH DD Sugar Hill LLC	Detroit, MI	68
14)	United Front Nine Preservation Associates Limited Partnership	New Bedford, MA	173
15)	Cromwell Preservation Associates Limited Partnership	Hyanis, MA	124
16)	CB Rental Limited Partnership	Bourne, MA	28
17)	Blackstone Preservation Associates Limited Partnership	Boston, MA	145
18)	Franklin Preservation Associates Limited Partnership	Boston, MA	193
19)	Kenmore Abbey Preservation Associates Limited Partnership	Boston, MA	199
20)	Whittier 1A-4 Preservation Associates Limited Partnership	Boston, MA	58
21)	Whittier 1A-9 Preservation Associates Limited Partnership	Boston, MA	34
22)	Whittier 2 Preservation Associates Limited Partnership	Boston, MA	52
23)	Mattapan Station 4 LLC	Boston, MA	114
24)	Mattapan Station 9 LLC	Boston, MA	21
25)	Bartlett Lot D Preservation Associates Limited Partnership	Boston, MA	50
26)	Peter's Grove Preservation Associates Limited Partnership	Hudson, MA	96
27)	Rock Harbor Preservation Associates Limited Partnership	Orleans, MA	100
28)	Clay Pond Preservation Associates Limited Partnership	Bourne, MA	45
29)	Kings Landing Preservation Associates Limited Partnership	Brewster, MA	108
30)	Brewster Woods Preservation Associates Limited Partnership	Brewster, MA	30
31)	Central Annex Preservation Associates Limited Partnership	Pittsfield, MA	101
32)	Dennis Community Housing Preservation Associates Limited Partnership	Dennis, MA	27
33)	Briston Arms Preservation Associates Limited Partnership	Cambridge, MA	154
34)	Founders Court Preservation Associates Limited Partnership	Hyannis, MA	32
35)	Brandy Hill Preservation Associates Limited Partnership	E. Wareham, MA	132
36)	Tribune Preservation Associates Limited Partnership	Framingham, MA	53
37)	Canal Bluffs P3 Preservation Associates Limited Partnership	Bourne, MA	44
38)	Bedford Village Preservation Associates Limited Partnership	Bedford, MA	124
39)	Salem Heights II Preservation Associates Limited Partnership	Salem, MA	281
40)	Woodlen Place Associates Limited Partnership	Kansas City, MO	60
41)	Hawthorne Place II Preservation Associates Limited Partnership	Independence, MO	745
42)	19 E 110th Place Preservation Associates Limited Partnership	Chicago, IL	60
43)	5040 S Indiana Preservation Associates Limited Partnership	Chicago, IL	60
44)	WCS Preservation Associates Limited Partnership	Chicago, IL	67
45)	Renaissance Preservation Associates Limited Partnership	Chicago, IL	117
46)	WCN Preservation Associates Limited Partnership	Chicago, IL	33
47)	WP Senior Preservation Associates Limited Partnership	Chicago, IL	65
48)	Lafayette Preservation Associates Limited Partnership	Chicago, IL	94
49)	Newberry Park Preservation Associates Limited Partnership	Chicago, IL	84
50)	Woodlawn Station Preservation Associates Limited Partnership	Chicago, IL	70
51)	Woodlawn Roll-up Preservation Associates Limited Partnership	Chicago, IL	196
52)	Greenwood Preservation Associates Limited Partnership	Chicago, IL	122
53)	JBL Preservation Associates Limited Partnership	Chicago, IL	106
54)	Community Housing Partners XI Limited Partnership	Chicago, IL	77
55)	Community Housing Partners X Limited Partnership	Chicago, IL	59
56)	Community Housing Partners XV Limited Partnership	Chicago, IL	30
57)	South Chicago Salud Center Preservation Associates Limited Partnership	Chicago, IL	101
58)	Farrell House Preservation Associates I Limited Partnership	Chicago, IL	59
59)	Cocheco Preservation Associates Limited Partnership	Dover, NH	78
60)	Sugar River Preservation Associates Limited Partnership	Claremont, NH	162
61)	New Horizons Preservation Associates Limited Partnership	Miami, FL	100
62)	Harbor City Towers LLLP	Melbourne, FL	192
63)	Trinity Towers East Preservation Associates LLLP	Melbourne, FL	156

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For the nine months ended September 30, 2021 and 2020 and December 31, 2020

	Entity	Project Location	No. of Units
64)	New Trinity Towers South Preservation Associates LLLP	Melbourne, FL	162
65)	Torringford West Preservation Associates Limited Partnership	Torrington, CT	79
66)	Billings Forge Preservation Associates Limited Partnership	Hartford, CT	114
67)	Old Middletown Preservation Associates Limited Partnership	Middletown, CT	65
68)	Abigail Apartments Limited Partnership	Cincinnati, OH	71
69)	Abington Race and Pleasant LLC (not consolidated)	Cincinnati, OH	50
70)	Baymiller Manor Limited Partnership	Cincinnati, OH	31
71)	Burnet Place Limited Partnership (not consolidated)	Cincinnati, OH	62
72)	Fairview Estates Limited Partnership	Cincinnati, OH	28
73)	Kerper Development Limited Partnership	Cincinnati, OH	38
74)	Losantiville Apartments Limited Partnership	Cincinnati, OH	87
75)	Magnolia Heights Limited Partnership (not consolidated)	Cincinnati, OH	98
76)	Navarre Garrone Limited Partnership	Cincinnati, OH	62
77)	North Rhine Heights Limited Partnership (not consolidated)	Cincinnati, OH	65
78)	OTR Revitalization Limited Partnership (not consolidated)	Cincinnati, OH	94
79)	Villas of the Valley Limited Partnership (not consolidated)	Lincoln Heights, OH	42
80)	Villas of the Valley II Limited Partnership (not consolidated)	Lincoln Heights, OH	35
81)	WH Mainstrasse I LLLP	Convington, KY	41
82)	SSAH LLC (100% owned by POAH, Inc)	Weymouth, MA	20
83)	Riverview Residences Dover LLC (100% owned by POAH, Inc)	Dover, NH	24
84)	POAH Cutler Meadows LLC (100% owned by POAH, Inc)	Miami, FL	225
85)	POAH Cutler Manor LLC (100% owned by POAH, Inc)	Miami, FL	219
86)	POAH Middletowne Apartments LLC (100% owned by POAH, Inc)	Orange Park, FL	100
87)	POAH Campbell Arms LLC (100% owned by POAH, Inc)	Homestead, FL	201
88)	POAH NSP Chicago LLC (100% owned by POAH, Inc)		
89)	POAH Grove Parc Apartments LLC (100% owned by POAH, Inc)		
90)	POAH NMTC2 Title Holding Corporation (100% owned by POAH, Inc)	Chicago, IL	27
91)	Community Housing Partners VI Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	55
92)	Community Housing Partners XII Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	26
93)	Corcoran Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	94
94)	POAH Levy House LLC (100% owned by POAH, Inc)	Chicago, IL	57
95)	POAH Island Terrace LLC (100% owned by POAH, Inc)	Chicago, IL	240
96)	Elgin Schoolhouse Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Elgin, IL	27
97)	Elgin Manor Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Elgin, IL	100
98)	POAH South Suburban Y Hold LLC (100% owned by POAH, Inc)	Harvey, IL	120
99)	POAH Harvey East 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
100)	POAH Harvey West 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
101)	Crestview Preservation Associates Limited Partnership (100% owned by POAH, Inc.)	Kankakee, IL	132
102)	POAH Gardner Terrace LLC (100% owned by POAH, Inc)	Attleboro, MA	144
103)	POAH Hebronville Mill LLC (100% owned by POAH, Inc)	Attleboro, MA	83
104)	Bridle Path Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Randolph, MA	104
105)	Chestnut Gardens Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Lynn, MA	65
106)	Dom Narodowy Polski Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Chicopee, MA	50
107)	Eastgate Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MA	148
108)	Fairweather Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Beverly, Danvers, Peabody and Salem, MA	321
109)	Meadowbrook Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Northampton, MA	252
110)	Washington Gardens Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Hagerstown, MD	100
111)	Colony Plaza Associates Limited Partnership (100% owned by POAH, Inc)	Excelsior Springs, MO	111
112)	Country Club Village Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	70
113)	Glenwood Manor Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	119
114)	Highland Meadows Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	44
115)	Deerfield Village Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	60
116)	Country Club Village II Associates - I Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	28
117)	Highland Acres Associates - I Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	35
118)	Houston Plaza Associates - I Limited Partnership (100% owned by POAH, Inc)	Adrian, MO	34
119)	Maplewood Manor Associates - I Limited Partnership (100% owned by POAH, Inc)	Web City, MO	60
120)	Monroe Estates Associates - I Limited Partnership (100% owned by POAH, Inc)	Lebanon, MO	74
121)	Prairie Plains Associates - I Limited Partnership (100% owned by POAH, Inc)	Lamar, MO	50
122)	Crestview Village Associates - I Limited Partnership (100% owned by POAH, Inc)	Liberty, MO	48
123)	Blacklick Apartments LLC (100% owned by POAH, Inc)	Blacklick, OH	176
124)	Terri Manor Associates LTD (100% owned by POAH, Inc)	Cincinnati, OH	81
125)	Community Manor Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	19
126)	Pendleton Estates Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	42

Entity	Project Location	No. of Units
127) Wesley Estates Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	29
128) Garfield Hills Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Washington, DC	94
		12,515

The majority of these properties qualify for the low-income tax credit in accordance with Section 42 of the Internal Revenue Code. Provisions of Section 42 regulate the use of the Project as to occupancy eligibility and unit gross rent, among other requirements, for 15 years. Most of the properties are subject to these provisions for additional terms in accordance with agreements entered into with the state tax credit agencies. The properties are also controlled by regulatory agreements with lenders and other funding and subsidy sources. The limited partners or investor members generally own between 99 to 99.99% interest in the properties.

Note 13 - Statement of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets as of September 30, 2021 and 2020 that sum to the total of the same amounts in the statements of cash flows:

	2021	2020
Cash and cash equivalents	$ 16,852,638	$ 12,764,247
Restricted cash	11,452,996	1,701,039
Reserves	4,747,357	4,927,464
Restricted reserves	3,701,308	766,982
Tenant security deposits	25,281	16,533
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 36,779,580	$ 20,176,265

The amount included in reserves consists of Company reserves for operations and capital investments.

Note 14 - Purchase of management contracts

In connection with POAH INC's acquisition of a group of entities from The Model Group, Inc. on May 31, 2018, which was recorded as an acquisition of assets, POAHC purchased thirteen management contracts. The contracts were recorded at the proportionate fair value of the overall purchase price of $213,014 and are being amortized over three years. Amortization expense for the nine months ended September 30, 2021 and 2020 totaled $29,585 and $52,254, respectively, and accumulated amortization totaled $213,014 and $183,429, respectively. The purchase is included in other assets on the accompanying consolidated balance sheets.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Financial Position - Core Operating Companies
September 30, 2021

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Current assets					
Cash and cash equivalents	$ 3,630,866	$ 13,221,772	$ 16,852,638	$ -	$ 16,852,638
Restricted cash	11,452,996	-	11,452,996	-	11,452,996
Reserves	4,747,357	-	4,747,357	-	4,747,357
Restricted reserves	3,701,308	5,800	3,707,108	-	3,707,108
Accounts receivable					
Grants receivable	1,317,440	-	1,317,440	-	1,317,440
Properties, net of allowance for doubtful accounts	849,565	7,611,935	8,461,500	-	8,461,500
Development fees	-	8,034,537	8,034,537	-	8,034,537
Other	134,469	574,103	708,572	-	708,572
Due from affiliates	1,082,052	3,148,089	4,230,141	(2,993,363)	1,236,778
Prepaid expenses	214,975	449,704	664,679	-	664,679
Note receivable, current	2,595,008	-	2,595,008	-	2,595,008
Interest on notes receivable	234,276	5,401,677	5,635,953	-	5,635,953
Predevelopment costs reimbursable, current	3,943,240	8,962,819	12,906,059	(3,114,903)	9,791,156
Tenant security deposits	-	25,281	25,281	-	25,281
Total current assets	33,903,552	47,435,717	81,339,269	(6,108,266)	75,231,003
Other assets					
Notes receivable, net of discount	36,577,238	117,772,864	154,350,102	-	154,350,102
Investment in companies	68,949,775	-	68,949,775	(68,949,775)	-
Investment in partnerships	20,521,996	1,432,491	21,954,487	-	21,954,487
Predevelopment costs reimbursable, net of current	-	4,023,497	4,023,497	-	4,023,497
Other assets	764,864	33,855	798,719	-	798,719
Total other assets	126,813,873	123,262,707	250,076,580	(68,949,775)	181,126,805
Fixed assets					
Land and buildings	-	938,747	938,747	-	938,747
Furniture, equipment and leasehold improvements	792,604	350,682	1,143,286	-	1,143,286
Less: Accumulated depreciation	(67,870)	(414,839)	(482,709)	-	(482,709)
Total fixed assets	724,734	874,590	1,599,324	-	1,599,324
Total assets	$ 161,442,159	$ 171,573,014	$ 333,015,173	$ (75,058,041)	$ 257,957,132

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Financial Position - Core Operating Companies
September 30, 2021

	POAH INC	POAH LLC	Subtotal	Elimination	Total
Liabilities					
Current liabilities					
Accounts payable	$ 119,780	$ 208,490	$ 328,270	$ -	$ 328,270
Accrued expenses	272,707	1,111,961	1,384,668	-	1,384,668
Accounts payable - development	-	7,110	7,110	-	7,110
Accrued interest	168,135	16,117	184,252	-	184,252
Loan payable, current	559,221	7,043,637	7,602,858	-	7,602,858
Line of credit, current	-	1,776,722	1,776,722	-	1,776,722
Deferred liabilities, current	-	31,275	31,275	-	31,275
Tenant security deposit	-	25,244	25,244	-	25,244
Prepaid revenue	-	31	31	-	31
Due to affiliates	5,607,756	1,065,069	6,672,825	(6,108,266)	564,559
Total current liabilities	6,727,599	11,285,656	18,013,255	(6,108,266)	11,904,989
Long-term liabilities					
Loans and notes payable, net of current	21,255,536	17,690,606	38,946,142	-	38,946,142
Line of credit, net of current	-	2,475,368	2,475,368	-	2,475,368
Accrued interest payable - notes payable	-	1,115,780	1,115,780	-	1,115,780
Deferred liabilities, net of current	239,424	136,440	375,864	-	375,864
Deferred income	17,718,772	69,499,175	87,217,947	-	87,217,947
Total long-term liabilities	39,213,732	90,917,369	130,131,101	-	130,131,101
Total liabilities	45,941,331	102,203,025	148,144,356	(6,108,266)	142,036,090
Net assets					
Net assets without donor restrictions controlling	108,364,115	68,949,775	177,313,890	(68,949,775)	108,364,115
Net assets without donor restrictions noncontrolling	-	420,214	420,214	-	420,214
Total net assets without donor restrictions	108,364,115	69,369,989	177,734,104	(68,949,775)	108,784,329
Net assets with donor restrictions	7,136,713	-	7,136,713	-	7,136,713
Total net assets	115,500,828	69,369,989	184,870,817	(68,949,775)	115,921,042
Total liabilities and net assets	$ 161,442,159	$ 171,573,014	$ 333,015,173	$ (75,058,041)	$ 257,957,132

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Activities - Core Operating Companies
For the nine months ended September 30, 2021

	POAH INC without donor restrictions	POAH INC with donor restriction	POAH LLC	Subtotal	Elimination	Total
Support and revenue						
Rental income	$ -	$ -	$ 181,709	$ 181,709	$ -	$ 181,709
Grant income	17,373	674,940	-	692,313	-	692,313
Grant income, capital investments	764,500	-	-	764,500	-	764,500
Contribution income	3,570	-	-	3,570	-	3,570
Developer fee revenue	-	-	9,905,442	9,905,442	-	9,905,442
Cash flow from properties	1,053,884	-	2,269,741	3,323,625	-	3,323,625
Property management and related fees	-	-	8,633,348	8,633,348	-	8,633,348
Gain on receipt of mortgage note	-	-	1,191,236	1,191,236	-	1,191,236
Gain on prepayment of notes receivable	-	-	262,196	262,196	-	262,196
Gain on debt forgiveness	-	-	5,557,220	5,557,220	-	5,557,220
Interest income	230,764	-	4,661,314	4,892,078	-	4,892,078
Investment income	12,400,354	-	187,007	12,587,361	(12,586,609)	752
Other income	-	51,847	34,432	86,279	-	86,279
	14,470,445	726,787	32,883,645	48,080,877	(12,586,609)	35,494,268
Net assets released from restrictions	1,242,542	(1,242,542)	-	-	-	-
Total support and revenue	15,712,987	(515,755)	32,883,645	48,080,877	(12,586,609)	35,494,268
Expenses						
Personnel	1,341,730	-	11,454,955	12,796,685	-	12,796,685
Development expense	938	-	1,471,489	1,472,427	-	1,472,427
Professional services	790,885	-	394,580	1,185,465	-	1,185,465
Contributions and grants made	38,450	-	8,950	47,400	-	47,400
Rental and utilities	126,703	-	968,203	1,094,906	-	1,094,906
Taxes and insurance	379,240	-	66,093	445,333	-	445,333
Travel and lodging	16,202	-	185,371	201,573	-	201,573
Interest expense	611,718	-	878,904	1,490,622	-	1,490,622
Reimbursable salaries and expenses	-	-	3,550,589	3,550,589	-	3,550,589
Property operations	-	-	146,012	146,012	-	146,012
Property mortage interest	-	-	26,398	26,398	-	26,398
Office and administration	103,561	-	965,194	1,068,755	-	1,068,755
Depreciation and amortization	59,445	-	98,477	157,922	-	157,922
Community impact	2,010,698	-	-	2,010,698	-	2,010,698
Bad debt expense	-	-	7	7	-	7
Miscellaneous	37,729	-	21,951	59,680	-	59,680
Total expenses	5,517,299	-	20,237,173	25,754,472	-	25,754,472
Excess of revenue over expenses	10,195,688	(515,755)	12,646,472	22,326,405	(12,586,609)	9,739,796
Excess of revenue over expenses attributable to noncontrolling interests	-	-	(59,863)	(59,863)	-	(59,863)
Excess of revenue over expenses attributable to the Company	$ 10,195,688	$ (515,755)	$ 12,586,609	$ 22,266,542	$ (12,586,609)	$ 9,679,933

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Changes in Net Assets - Core Operating Companies
For the nine months ended September 30, 2021

	Net assets without donor restrictions						Net assets with donor restrictions	
	Controlling				Noncontrolling		Controlling	
	POAH INC	POAH LLC	Eliminations	Subtotal	POAH LLC	Total	POAH INC	Total
Beginning balance, January 1, 2021	$ 97,222,307	$ 58,617,046	$ (58,617,046)	$ 97,222,307	$ 886,618	$ 98,108,925	$ 7,652,468	$ 105,761,393
Distribution to member	-	(3,200,000)	3,200,000	-	-	-	-	-
Distribution to noncontrolling member	-	-	-	-	(526,267)	(526,267)	-	(526,267)
Other changes in equity	946,120	946,120	(946,120)	946,120	-	946,120	-	946,120
Excess of revenue over expenses to noncontrolling interest	-	-	-	-	59,863	59,863	-	59,863
Excess of revenue over expenses to Company	10,195,688	12,586,609	(12,586,609)	10,195,688	-	10,195,688	(515,755)	9,679,933
Ending balance, September 30, 2021	$ 108,364,115	$ 68,949,775	$ (68,949,775)	$ 108,364,115	$ 420,214	$ 108,784,329	$ 7,136,713	$ 115,921,042

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
For the nine months ended September 30, 2021

	POAH, Inc	POAH LLC	Subtotal	Elimination	Total
Cash flows from operating activities					
Excess of revenue over expenses	$ 9,679,934	$ 12,646,471	$ 22,326,405	$ (12,586,609)	$ 9,739,796
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities					
Forgiveness of debt	-	(5,557,220)	(5,557,220)	-	(5,557,220)
Investment income (loss)	(12,400,354)	(187,007)	(12,587,361)	12,586,609	(752)
Depreciation expense	59,445	98,477	157,922	-	157,922
Amortization of debt issuance costs	12,515	21,594	34,109	-	34,109
Changes in					
Accounts receivable	358,429	1,308,391	1,666,820	-	1,666,820
Predevelopment costs reimbursable	(2,111,156)	(3,429,389)	(5,540,545)	-	(5,540,545)
Prepaid expenses and other assets	244,097	11,097	255,194	-	255,194
Accounts payable and accrued expenses	(25,395)	(974,922)	(1,000,317)	-	(1,000,317)
Prepaid and deferred revenues	7,951,891	(105,548)	7,846,343	-	7,846,343
Due to affiliates, net	(662,390)	(728,398)	(1,390,788)	-	(1,390,788)
Net cash provided by operating activities	3,107,016	3,103,546	6,210,562	-	6,210,562
Cash flows from investing activities					
Advances on notes receivable and accrued interest	(13,163,764)	(4,533,372)	(17,697,136)	-	(17,697,136)
Repayments of notes receivable and accrued interest	2,065,546	8,846,714	10,912,260	-	10,912,260
Purchase of limited partner interest	-	(1,132,525)	(1,132,525)	-	(1,132,525)
Contributions to partnerships	(28,848)	-	(28,848)	-	(28,848)
Distributions from partnerships	2,750,514	-	2,750,514	-	2,750,514
Distribution from member	3,200,000	-	3,200,000	(3,200,000)	-
Net cash (used in) provided by investing activities	(5,176,552)	3,180,817	(1,995,735)	(3,200,000)	(5,195,735)
Cash flows from financing activities					
Proceeds from line of credit	-	4,000,000	4,000,000	-	4,000,000
Payments on line of credit	-	(2,590,000)	(2,590,000)	-	(2,590,000)
Proceeds from notes payable	7,480,000	1,335,288	8,815,288	-	8,815,288
Payment on notes payable	(543,047)	(475,200)	(1,018,247)	-	(1,018,247)
Deferred income	4,317,469	(1,191,236)	3,126,233	-	3,126,233
Debt issuance costs paid	-	(5,000)	(5,000)	-	(5,000)
Distributions to members	-	(3,726,267)	(3,726,267)	3,200,000	(526,267)
Net cash provided by (used in) financing activities	11,254,422	(2,652,415)	8,602,007	3,200,000	11,802,007
Net increase in cash, cash equivalents, and restricted cash	9,184,886	3,631,948	12,816,834	-	12,816,834
Cash, cash equivalents, and restricted cash, December 31, 2020	14,347,641	9,615,105	23,962,746	-	23,962,746
Cash, cash equivalents, and restricted cash, September 30, 2021	$ 23,532,527	$ 13,247,053	$ 36,779,580	$ -	$ 36,779,580

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Cash Flows - Core Operating Companies
For the nine months ended September 30, 2021

	POAH, Inc	POAH LLC	Subtotal	Elimination	Total
Supplemental disclosure of cash flow activities					
Cash paid for interest	$ 544,998	$ 755,164	$ 1,300,162	$ -	$ 1,300,162
Schedule of noncash investing activities					
Increase in interest on notes receivable for acquisitions under common control	$ 198,321	$ 198,321	$ 396,642	$ (198,321)	$ 198,321

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
September 30, 2021

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Current assets						
Cash and cash equivalents	$ 11,785,237	$ 1,418,417	$ -	$ 18,118	$ -	$ 13,221,772
Restricted reserves	-	-	-	5,800	-	5,800
Accounts receivable						
Properties, net of allowance for doubtful accounts	3,168,897	4,426,259	-	16,779	-	7,611,935
Development fees	7,973,277	-	61,260	-	-	8,034,537
Other	542,986	31,117	-	-	-	574,103
Due from related parties	3,840,694	483,846	-	-	(1,176,451)	3,148,089
Prepaid expenses	7,970	441,734	-	-	-	449,704
Interest on notes receivable	5,336,327	-	65,350	-	-	5,401,677
Predevelopment costs reimbursable, current	8,962,819	-	-	-	-	8,962,819
Tenant security deposits	-	-	-	25,281	-	25,281
Total current assets	41,618,207	6,801,373	126,610	65,978	(1,176,451)	47,435,717
Other assets						
Notes receivable, net of discount and current	113,035,702	-	4,737,162	-	-	117,772,864
Investment in companies	9,480,842	-	-	-	(9,480,842)	-
Investment in partnerships	1,125,992	-	-	-	306,499	1,432,491
Predevelopment costs reimbursable, net of current	4,023,497	-	-	-	-	4,023,497
Other assets	24,230	9,625	-	-	-	33,855
Total other assets	127,690,263	9,625	4,737,162	-	(9,174,343)	123,262,707
Fixed assets						
Land and buildings	-	-	-	938,747	-	938,747
Furniture, equipment and leasehold improvements	173,150	177,532	-	-	-	350,682
Less: Accumulated depreciation	(147,659)	(131,226)	-	(135,954)	-	(414,839)
Total fixed assets	25,491	46,306	-	802,793	-	874,590
Total assets	$ 169,333,961	$ 6,857,304	$ 4,863,772	$ 868,771	$ (10,350,794)	$ 171,573,014

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Financial Position - POAH LLC
September 30, 2021

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Liabilities						
Current liabilities						
Accounts payable	$ 111,795	$ 75,512	$ -	$ 21,183	$ -	$ 208,490
Accrued expenses	580,217	531,744	-	-	-	1,111,961
Development costs payable	1,310	-	-	5,800	-	7,110
Accrued interest	13,232	-	-	2,885	-	16,117
Loan payable, current	7,043,637	-	-	-	-	7,043,637
Line of credit, current	1,776,722	-	-	-	-	1,776,722
Deferred liabilities, current	5,721	25,554	-	-	-	31,275
Tenant security deposits	-	-	-	25,244	-	25,244
Prepaid revenue	-	31	-	-	-	31
Due to related parties	819,987	993,689	-	427,844	(1,176,451)	1,065,069
Total current liabilities	10,352,621	1,626,530	-	482,956	(1,176,451)	11,285,656
Long-term liabilities						
Loans and notes payable, net of current	16,998,292	-	-	692,314	-	17,690,606
Line of credit, net of current	2,475,368	-	-	-	-	2,475,368
Accrued interest payable - notes payable	1,115,780	-	-	-	-	1,115,780
Deferred liabilities, net of current	40,241	96,199	-	-	-	136,440
Deferred income	69,401,884	97,291	-	-	-	69,499,175
Total long-term liabilities	90,031,565	193,490	-	692,314	-	90,917,369
Total liabilities	100,384,186	1,820,020	-	1,175,270	(1,176,451)	102,203,025
Net assets without donor restrictions controlling	68,949,775	5,037,284	4,443,558	(306,499)	(9,174,343)	68,949,775
Net assets without donor restrictions noncontrolling	-	-	420,214	-	-	420,214
Total net assets without donor restrictions	68,949,775	5,037,284	4,863,772	(306,499)	(9,174,343)	69,369,989
Total liabilities and net assets	$ 169,333,961	$ 6,857,304	$ 4,863,772	$ 868,771	$ (10,350,794)	$ 171,573,014

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Schedule of Activities - POAH LLC
Nine months ended September 30, 2021

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Support and revenue						
Rental income	$ -	$ -	$ -	$ 181,709	$ -	$ 181,709
Development and other fee revenue from properties	9,841,147	-	64,295	-	-	9,905,442
Cash flow from properties	2,269,741	-	-	-	-	2,269,741
Property management and related fees	-	8,633,348	-	-	-	8,633,348
Gain on receipt of mortgage note	1,191,236	-	-	-	-	1,191,236
Gain on prepayment of notes receivable	262,196	-	-	-	-	262,196
Gain on debt forgiveness	-	5,557,220	-	-	-	5,557,220
Interest income	4,585,160	516	75,606	32	-	4,661,314
Investment income	3,596,061	-	-	-	(3,409,054)	187,007
Other income	-	34,432	-	-	-	34,432
Total support and revenue	21,745,541	14,225,516	139,901	181,741	(3,409,054)	32,883,645
Expenses						
Personnel	5,442,708	6,012,247	-	-	-	11,454,955
Development expense	1,471,489	-	-	-	-	1,471,489
Professional services	227,207	167,373	-	-	-	394,580
Contributions and grants made	8,950	-	-	-	-	8,950
Rental and utilities	650,727	317,476	-	-	-	968,203
Taxes and insurance	473	65,620	-	-	-	66,093
Travel and lodging	24,136	161,235	-	-	-	185,371
Interest expense	852,275	26,629	-	-	-	878,904
Reimbursable salaries and expenses	-	3,550,589	-	-	-	3,550,589
Property operations	-	-	-	146,012	-	146,012
Property mortgage interest	-	-	-	26,398	-	26,398
Office and administration	451,501	513,693	-	-	-	965,194
Depreciation and amortization	12,512	39,028	-	46,937	-	98,477
Bad debt expense	-	7	-	-	-	7
Miscellaneous	16,954	4,997	-	-	-	21,951
Total expenses	9,158,932	10,858,894	-	219,347	-	20,237,173
Excess of revenue over expenses (expenses over revenue)	12,586,609	3,366,622	139,901	(37,606)	(3,409,054)	12,646,472
Excess of revenue over expenses attributable to noncontrolling interests	-	-	(59,863)	-	-	(59,863)
Excess of revenue over expenses (expenses over revenue) attributable to the Company	$ 12,586,609	$ 3,366,622	$ 80,038	$ (37,606)	$ (3,409,054)	$ 12,586,609

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Net Assets - POAH LLC
Nine months ended September 30, 2021

	Controlling						Noncontrolling	
	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Subtotal	PTLHC	Total
Balance at January 1, 2021	$ 58,617,046	$ 1,870,662	$ 4,106,162	$ (268,893)	$ (5,707,931)	$ 58,617,046	$ 886,618	$ 59,503,664
Distributions to the member	(3,200,000)	(200,000)	-	-	200,000	(3,200,000)	-	(3,200,000)
Distributions to noncontrolling member	-	-	-	-	-	-	(526,267)	(526,267)
Other changes in equity								
Common control - interest	198,321	-	50,644	-	(50,644)	198,321	-	198,321
Common control - principal	747,799	-	206,714	-	(206,714)	747,799	-	747,799
Excess of revenue over expenses attributable to noncontrolling interest	-	-	-	-	-	-	59,863	59,863
Excess of revenue over expenses (expenses over revenue) attributable to the Company	12,586,609	3,366,622	80,038	(37,606)	(3,409,054)	12,586,609	-	12,586,609
Balance at September 30, 2021	$ 68,949,775	$ 5,037,284	$ 4,443,558	$ (306,499)	$ (9,174,343)	$ 68,949,775	$ 420,214	$ 69,369,989

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Cash Flow - POAH LLC
Nine months ended September 30, 2021

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	$ 12,586,609	$ 3,366,622	$ 139,901	$ (37,607)	$ (3,409,054)	$ 12,646,471
Forgiveness of debt	-	(5,557,220)	-	-	-	(5,557,220)
Investment income	(3,596,061)	-	-	-	3,409,054	(187,007)
Depreciation and amortization expense	12,512	39,028	-	46,937	-	98,477
Amortization of debt issuance costs	21,594	-	-	-	-	21,594
Changes in						
Accounts receivable	(764,221)	1,959,055	103,361	10,196	-	1,308,391
Predevelopment costs reimbursable	(3,429,389)	-	-	-	-	(3,429,389)
Prepaid expenses and other assets	96,762	(85,665)	-	-	-	11,097
Accounts payable and accrued expenses	(341,771)	(631,214)	-	(1,937)	-	(974,922)
Prepaid revenue and deferred liabilities	(98,472)	31	-	(7,107)	-	(105,548)
Due to affiliates, net	(251,895)	(334,094)	(142,409)	-	-	(728,398)
Net cash provided by (used in) operating activities	4,235,668	(1,243,457)	100,853	10,482	-	3,103,546
Cash flows from investing activities						
Advances on notes receivable and accrued interest	(4,457,766)	-	(75,606)	-	-	(4,533,372)
Repayment of notes receivable and accrued interest	8,345,694	-	501,020	-	-	8,846,714
Purchase of limited partner Interest	(1,132,525)	-	-	-	-	(1,132,525)
Distribution from subsidiary	200,000	-	-	-	(200,000)	-
Net cash provided by investing activities	2,955,403	-	425,414	-	(200,000)	3,180,817
Cash flows from financing activities						
Proceeds from line of credit	4,000,000	-	-	-	-	4,000,000
Payments on line of credit	(2,590,000)	-	-	-	-	(2,590,000)
Proceeds from notes payable	1,335,288	-	-	-	-	1,335,288
Payments on note payable	(475,200)	-	-	-	-	(475,200)
Deferred income	(1,191,236)	-	-	-	-	(1,191,236)
Debt issuance costs	(5,000)	-	-	-	-	(5,000)
Distributions to member	(3,200,000)	(200,000)	(526,267)	-	200,000	(3,726,267)
Net cash used in financing activities	(2,126,148)	(200,000)	(526,267)	-	200,000	(2,652,415)
Net increase (decrease) in cash, cash equivalents, and restricted cash	5,064,923	(1,443,457)	-	10,482	-	3,631,948
Cash, cash equivalents, and restricted cash, beginning	6,720,314	2,861,874	-	32,917	-	9,615,105
Cash, cash equivalents, and restricted cash, ending	$ 11,785,237	$ 1,418,417	$ -	$ 43,399	$ -	$ 13,247,053

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidating Statement of Cash Flow - POAH LLC
Nine months ended September 30, 2021

Supplemental disclosure of cash flow activities						
Cash paid for interest	$ 728,670	$ -	$ -	$ 26,494	$ -	$ 755,164
Schedule of noncash investing activities						
Increase in interest on notes receivable for acquisitions under common control	$ 198,321	$ -	$ 50,644	$ -	$ (50,644)	$ 198,321

APPENDIX C

FORM OF THE BOND INDENTURE

BOND INDENTURE

by and between

PRESERVATION OF AFFORDABLE HOUSING, INC.

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

Dated as of April 1, 2022

$75,000,000
Preservation of Affordable Housing, Inc.
Taxable Bonds, Series 2022 (Sustainability Bonds)

APPENDIX C

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Exhibit A — Form of Bond A-1

THIS BOND INDENTURE, made, entered into and dated as of April 1, 2022 (this "Bond Indenture"), by and between Preservation of Affordable Housing, Inc. ("POAH"), a not-for-profit corporation organized and existing under the laws of the State of Illinois, and Wilmington Trust, National Association, a national banking association organized and existing under the laws of the United States of America, and being duly qualified to accept and administer the trusts created hereby (the "Bond Trustee"),

W I T N E S S E T H:

WHEREAS, POAH is authorized to finance any of its lawful corporate purposes and to issue its bonds for the purpose of carrying out any of its lawful corporate purposes;

WHEREAS, POAH deems it desirable and intends to obtain financing with respect to such lawful corporate purposes through the issuance by POAH of the Series 2022 Bonds (as defined herein); and

WHEREAS, the Bond Trustee agrees to accept and administer the trusts created hereby;

GRANTING CLAUSES

NOW, THEREFORE, THIS BOND INDENTURE FURTHER WITNESSETH: That in consideration of the premises, of the acceptance by the Bond Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds (as defined herein) by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become holders thereof, and in order to secure the payment of all of the Bonds at any time issued and outstanding hereunder and the principal of, interest and Redemption Price, if any, thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants and conditions therein and herein contained, POAH has executed this Bond Indenture and does hereby grant a security interest in, release, assign, transfer, pledge and grant and convey unto the Bond Trustee and its successors and assigns forever the following described property:

> Amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

TO HAVE AND TO HOLD all said properties pledged, assigned and conveyed by POAH hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Bond Trustee and its successors in trust and its assigns forever, subject, however, to permitted encumbrances and to the rights reserved hereunder.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of the Bonds issued, authenticated, delivered and outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of said Bonds over any other or others of said Bonds to the end that each holder of such Bonds has the same rights, privileges and lien under and by virtue hereof, and all other sums payable hereunder; and conditioned, however, that if POAH shall well and truly pay or cause to be paid fully and promptly when due all liabilities, obligations and sums at any time secured hereby, and shall promptly, faithfully and strictly keep, perform or observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, this Bond Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. Unless the context shall otherwise require, the following words and terms as used in this Bond Indenture shall have the following meanings:

"1933 Act" shall have the meaning ascribed to such term in Section 2.02 of this Bond Indenture.

"2022 Project" shall mean any corporate purposes of POAH, all to the extent financed or refinanced with the proceeds of the Series 2022 Bonds.

"Account" shall mean any account created under this Bond Indenture.

"Additional Bonds" shall mean any Bonds issued after the Closing Date, authorized pursuant to the terms of this Bond Indenture.

"Beneficial Owner" shall mean whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC participant on the records of such participant or such Person's subrogee.

"Bond" or "Bonds" shall mean the Series 2022 Bonds and any series of Additional Bonds authorized pursuant to the terms of this Bond Indenture.

"Bond Fund" shall mean the fund created pursuant to Section 5.01(a) of this Bond Indenture.

"Bond Indenture" shall mean this Bond Indenture, dated as of April 1, 2022, by and between POAH and the Bond Trustee, and when amended, restated or supplemented, this Bond Indenture, as so amended, restated or supplemented.

"Bond Indenture Event of Default" shall mean any one or more of those events set forth in Section 7.01 of this Bond Indenture.

"Bond Payment Date" shall mean each date on which interest or both principal and interest shall be payable on any of the Series 2022 Bonds according to their respective terms so long as any Series 2022 Bonds are Outstanding. Bond Payment Date for each series of Additional Bonds shall have the meaning set forth in the Supplement authorizing such series of Additional Bonds.

"Bond Trustee" shall mean Wilmington Trust, National Association, and any successor to its duties under this Bond Indenture.

"Book-Entry Bonds" shall mean the Series 2022 Bonds held by DTC as the registered owner thereof pursuant to the terms and provisions of Section 2.13 of this Bond Indenture.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in New York, New York or Wilmington, Delaware are authorized or obligated by law, regulation or executive order to remain closed.

"Callable Series 2022 Bonds" shall have the meaning ascribed to such term in Section 3.02(a) of this Bond Indenture.

"Closing Date" shall mean April 20, 2022.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor code or law, and any regulations in effect or promulgated thereunder.

"Corporate Trust Office" shall mean the office of the Bond Trustee at which its corporate trust administration with respect to this Bond Indenture is conducted, which at the date hereof is located at 280 Congress Street, Suite 1300, Boston, MA 02210, except that with respect to presentation of Bonds for payment or for registration of transfer or exchange, such term shall mean the office or agency of the Bond Trustee at which, at any particular time, its corporate trust operations shall be conducted.

"Defeasance Obligations" shall mean: (i) non-callable direct obligations of (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America; and (ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii) as appropriate, and (d) which are rated "AAA" by S&P Global Ratings, "Aaa" by Moody's Investors Service, Inc., or "AAA" by Fitch Ratings, Inc.

"DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, or any other depository which agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

"Fund" shall mean any fund created under this Bond Indenture.

"Governing Body" shall mean POAH's Board of Directors.

"Holder" or "Bondholder" shall mean the registered owner of any Bond, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

"Interest Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(i) of this Bond Indenture.

"Make-Whole Redemption Price," with respect to the Series 2022 Bonds shall mean the greater of the following and, with respect to any series of Additional Bonds, as set forth in the corresponding Supplement:

(1) 100% of the principal amount of any Series 2022 Bonds being redeemed; or

(2) the sum of the present values of the remaining scheduled payments of principal and interest to the Maturity Date of the Series 2022 Bonds being redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2022 Bonds are to be redeemed), discounted to the date on which such Series 2022 Bonds are to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at the Treasury Rate plus 30 basis points. POAH shall retain, at its own expense, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price

and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Bond Trustee and POAH may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither of the Bond Trustee nor POAH will have any liability for their reliance.

"Maturity Date" shall mean the applicable Maturity Date set forth in Section 2.02 hereof.

"Notice by Mail" or "notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Bond Indenture mailed by first-class mail to the Holders of specified registered Bonds, at the addresses shown on the registration books maintained pursuant to Section 2.07 hereof.

"Offering Memorandum" shall mean the Offering Memorandum, dated April 12, 2022, relating to the Series 2022 Bonds, containing information, data and statistics concerning POAH, the Series 2022 Bonds and other information, and the appendices thereto, as the same shall be supplemented.

"Opinion of Counsel" shall mean a written opinion of an attorney or firm of attorneys who (except as otherwise expressly provided herein) may be either counsel for POAH or for the Bond Trustee.

"Outstanding," when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except: (i) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation; (ii) Bonds which are deemed paid and no longer Outstanding as provided in Article X of this Bond Indenture; (iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions of this Bond Indenture relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Trustee has been received that any such Bond is held by a bona fide purchaser; (iv) Bonds paid pursuant to the last sentence of Section 2.04 hereof, and (v) for purposes of any consent or other action to be taken under this Bond Indenture by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of POAH, or any Person controlling, controlled by, or under common control with, POAH (for purposes of this clause (v), the Bond Trustee shall be permitted to rely on a certificate of POAH).

"Permitted Investments" shall mean and include any of the following, if and to the extent the same are at the time legal for the investment of POAH's money (provided that the Bond Trustee shall be entitled to rely upon any investment directions from POAH as conclusive certification to the Bond Trustee that the investments described therein are Permitted Investments and/or legal investments for POAH):

(a) Defeasance Obligations, or other direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America;

(b) obligations, debentures, bonds, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Housing Administration;

(c) bonds of any state in the United States or of any county or city of the State for which each rating agency then rating POAH's bonds maintains a rating at least equal to "A" (or the equivalent) or its highest short-term rating;

(d) repurchase agreements:

(i) with any corporation or other entity that falls under the jurisdiction of the Bankruptcy Code, provided that:

(1) the term of such repurchase agreement is less than one year or due on demand,

(2) the Bond Trustee or third party acting solely as agent for the Bond Trustee has possession of the collateral,

(3) the market value of the collateral is maintained at an amount equal to at least 102% of the amount of cash transferred by the Bond Trustee to the dealer bank or securities firm under the repurchase agreement plus interest,

(4) failure to maintain the requisite collateral levels will require the Bond Trustee to liquidate the collateral immediately,

(5) the repurchase securities are either obligations of, or fully guaranteed as to principal and interest by, the United States or any United States agency,

(6) the repurchase securities are free and clear of any third-party lien or claim, and

(7) such corporation or other entity's long-term debt obligations are rated A or better by each rating agency then rating the Bonds, and

(ii) with financial institutions including the Bond Trustee and its affiliates, insured by the Federal Deposit Insurance Corporation or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation ("SIPC") provided that:

(1) the requirements specified in clause (i)(2), (3) and (4) are met,

(2) the Bond Trustee has a perfected first priority security interest in the collateral, and

(3) the collateral is free and clear of third-party liens and, in the case of a SIPC broker, was not acquired pursuant to a repurchase agreement or reverse repurchase agreement;

(e) interest bearing bankers acceptances and demand or time deposits (including certificates of deposit) in banks (including the Bond Trustee and its affiliates), providing such deposits are secured at all times, in the manner and to the extent provided by law, by collateral security described in clause (a) or (b) of this definition of a market value no less than the amount of moneys so invested and are maintained with banks the debt obligations of which are rated A or better by each rating agency then rating POAH's bonds;

(f) United States Treasury Receipts and Stripped Treasury Coupons;

(g) taxable government money market portfolios composed of obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States of America, including without limitation any portfolio for which the Bond Trustee's parent, affiliates or subsidiaries provide investment advisory or other management services, which are rated "AAAm" or "AAAmG" by S&P Global Ratings;

(h) commercial paper rated at the time of purchase A-2/P-2 or better by each rating agency then rating the Bonds and issued by corporations organized and operating within the United States and having total assets in excess of $500,000,000;

(i) collateralized investment agreements or other collateralized contractual arrangements with corporations, financial institutions or national associations within the United States with such entities which are rated within the two highest rating categories of each rating agency then rating the Bonds and fully secured by collateral security described in clause (a) or (b) of this definition;

(j) money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1" or better by S&P Global Ratings and "P-1" by Moody's Investors Service, Inc.; and

(k) investments in a money market mutual fund rated "AAAm" or "AAAm-G" or better by S&P Global Ratings or an equivalent rating by Moody's Investors Service, Inc. or any other nationally recognized rating agency, including funds for which the Bond Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Bond Trustee or such holding company provide investment advisory or other management services.

"Person" shall include an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, or government or agency or political subdivision thereof.

"POAH" shall mean the not-for-profit corporation organized and existing under the laws of the State of Illinois, the corporate name of which is Preservation of Affordable Housing, Inc., and its successors.

"POAH Representative" shall mean any of the President and Chief Executive Officer, the Managing Director, Chief Financial Officer and the Managing Director, General Counsel at the time designated to act on behalf of POAH by a written certificate furnished to the Bond Trustee, containing the specimen signature of such Person and signed on behalf of POAH by its Secretary or Assistant Secretary. Such certificate may designate an alternate or alternates for any POAH Representative who shall have the same authority, duties and powers as such POAH Representative.

"Principal Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(ii) of this Bond Indenture.

"Project" shall mean the 2022 Project and any project described in a Supplement and financed with the proceeds of any series of Additional Bonds.

"Purchase Contract" shall mean the purchase contract between POAH and the Underwriter relating to the sale of the Series 2022 Bonds.

"Rating Agency" or "Rating Agencies" means, with respect to a Series of Bonds, Fitch Ratings, Inc. and its successors, if any, Moody's Investors Service, Inc. and its successors, if any, or S&P Global Ratings and its successors, if any, or any other nationally-recognized credit rating agency or agencies specified in the related Supplement; provided that any such rating agency shall, at the time in question, be maintaining a rating on such Series of Bonds at the request of POAH.

"Record Date" shall mean each May 15 and November 15 (whether or not a Business Day).

"Redemption Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(iii) of this Bond Indenture.

"Redemption Price" shall mean, the applicable redemption price payable pursuant to an optional redemption under and as provided in Section 3.01 hereof, in each case, together with accrued interest to the date fixed for redemption.

"Representation Letter" shall mean the Letter of Representations from POAH to DTC with respect to the Bonds.

"Series 2022 Bonds" shall mean POAH's $75,000,000 aggregate principal amount of Taxable Bonds, Series 2022 (Sustainability Bonds), dated their date of delivery and issued under this Bond Indenture to finance and refinance costs of the 2022 Project.

"State" shall mean The Commonwealth of Massachusetts.

"Supplement" shall mean an indenture supplementing or modifying the provisions of this Bond Indenture entered into by POAH and the Bond Trustee in accordance with Article IX of this Bond Indenture.

"Term Bonds" means Series 2022 Bonds which are payable on their specified Maturity Dates from payments deposited with the Bond Trustee.

"Treasury Rate" shall mean, with respect to any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the Maturity Date of the Series 2022 Bonds to be redeemed. However, if the period from the redemption date to such Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Underwriter" shall mean Morgan Stanley & Co. LLC.

Section 1.02. Interpretation. (a) Any reference herein to POAH, the Governing Body or any officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(d) Words importing the redemption of a Bond or the calling of a Bond for redemption do not mean or include the payment of a Bond at its stated maturity or the purchase of a Bond.

(e) Use of the word "including" shall be deemed to mean "including without limitation" unless the context otherwise expressly requires.

Section 1.03. All Bonds Equally and Ratably Secured; Bonds Are General Obligations of POAH. All Bonds issued hereunder and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference hereunder, and shall all be equally and ratably secured hereby. The Bonds are general obligations of POAH.

Section 1.04. Payments of Principal, Redemption Price and Interest. POAH covenants that it will duly and punctually pay the principal of and interest and any Redemption Price on the Bonds on the dates and in the places and manner mentioned therein and herein subject, however, to the limitations with respect to sources of such payment provided in Sections 1.05 and 11.14 hereof. Notwithstanding any schedule of payments to be made on the Bonds set forth therein or herein, POAH agrees to make payments upon the Bonds and be liable therefor at the times and in the amounts equal to the amounts to be paid as principal or Redemption Price of or interest on the Bonds from time to time Outstanding under this Bond Indenture as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

All amounts payable with respect to the Bonds or hereunder by POAH, except as otherwise expressly provided herein, shall be paid to the Bond Trustee so long as any Bonds remain Outstanding.

POAH agrees and represents that it has received fair consideration in return for the obligations undertaken and to be undertaken by POAH resulting from each Bond issued or to be issued by POAH hereunder.

Section 1.05. Obligations Unconditional; Sources of Payment Limited. (a) This Bond Indenture is a general obligation of POAH and the obligations of POAH to make payments pursuant hereto and pursuant to the Bonds and to perform and observe all agreements on its part contained herein shall be absolute and unconditional. Until this Bond Indenture is terminated or payment in full of all Bonds is made or is provided for in accordance with this Bond Indenture, POAH: (i) will not suspend or discontinue any payments hereunder or neglect to perform any of its duties required hereunder; (ii) will perform and observe all of its obligations set forth in this Bond Indenture; and (iii) except as provided herein, will not terminate this Bond Indenture for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration; commercial frustration of purpose; any change in the tax or other laws or administrative rulings of, or administrative actions by or under authority of, the United States of America or of the State.

(b) All payment obligations arising under this Bond Indenture shall be payable from all amounts that are legally available to POAH for such purpose.

Section 1.06. Representations, Warranties and Covenants of POAH. (a) POAH represents that it is a not-for-profit corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois, it has full legal right, power and authority to enter into this Bond Indenture, and to carry out and consummate all transactions contemplated hereby, and it has, by proper action, duly authorized the execution and delivery of this Bond Indenture and the Bonds.

(b) POAH is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income tax under Section 501(a) of such Code, except with respect to any unrelated business income of POAH. The facts and circumstances which formed the basis of POAH's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist. POAH is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, and no part of POAH's net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended. POAH at all times will maintain its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income tax under Section 501(a) of the Code or corresponding provisions of future federal income tax laws and will remain organized and operated for charitable purposes and not for pecuniary profit. POAH has not impaired its status as an exempt organization and a charitable organization as described in this paragraph, and will not, while any of the Bonds remain outstanding, impair its status as an exempt organization and a charitable organization.

(c) POAH shall deposit, or cause to be deposited, all proceeds of the Bonds received by POAH pursuant to this Bond Indenture into a separate interest-bearing account, segregated from all other assets of POAH, provided that the application of such proceeds is tracked. POAH shall use such proceeds for costs of the Project, which use constitutes a purpose related to the qualification of POAH as an organization described in Section 501(c)(3) of the Code, and for working capital (including costs associated with the issuance of the Bonds) and other eligible corporate purposes related to the qualification of POAH as an organization described in Section 501(c)(3) of the Code.

Section 1.07. Content of Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Bond Indenture, and every direction or request that the Bond Trustee take, or refrain from taking, any action that is subject to such a condition or covenant, shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such condition or covenant and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such condition or covenant has been complied with; and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of POAH may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of POAH) upon the certificate or opinion of or representations by an officer of POAH, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous.

Any written representation of POAH or determination of the Bond Trustee given in accordance with Article IX (regarding supplements to this Bond Indenture) may, at the option of such party, be based solely on the written representation of a financial consultant or advisor or the opinion or advice of counsel selected by POAH.

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

Section 2.01. Authorization. POAH hereby authorizes the issuance of a series of Bonds in the aggregate principal amount of $75,000,000 for the purpose of providing funds for POAH to aid in financing and refinancing the cost of the 2022 Project. The series of Bonds so authorized shall be designated “Preservation of Affordable Housing, Inc. Taxable Bonds, Series 2022 (Sustainability Bonds)” and shall be issued and sold as directed by the Governing Body in accordance herewith.

Section 2.02. Terms. The Series 2022 Bonds shall be issued in fully registered form as herein provided. The Series 2022 Bonds are issued as Term Bonds, shall mature on the date and in the principal amount set forth below. Interest on the Series 2022 Bonds shall be payable on June 1 and December 1 in each year, commencing December 1, 2022, at the rate per annum set forth below:

Maturity Date	Principal Amount	Interest Rate
December 1, 2032	$75,000,000	4.479%

Interest on the Series 2022 Bonds shall be calculated based on a 360-day year of twelve thirty-day months. The Series 2022 Bonds shall be dated and bear interest from their date of delivery, except with respect to Series 2022 Bonds authenticated and delivered on and after the first Bond Payment Date, which Series 2022 Bonds shall bear interest: (a) as of the Bond Payment Date next preceding the date of their authentication or as of the date of their authentication if authenticated on a Bond Payment Date; or (b) if on the date of their authentication payment of interest thereon is in default, as of the date to which interest has been paid. Interest on all Series 2022 Bonds initially delivered shall accrue from their date of delivery. Thereafter, interest on all Series 2022 Bonds shall accrue from the dated date or from the most recent Bond Payment Date to which interest has been paid.

The Series 2022 Bonds shall be lettered R and numbered 1 and upwards in order of maturity. The Series 2022 Bonds shall be issuable in the denomination of $5,000 and any integral multiple in excess thereof.

The Series 2022 Bonds are not registered under the Securities Act of 1933, as amended (the "1933 Act") in reliance upon the exemption from registration set forth in Section 3(a)(4) of the 1933 Act.

Any series of Additional Bonds shall contain the terms specified in the Supplement authorizing such series of Additional Bonds. Any Additional Bonds that are to be consolidated with the Series 2022 Bonds pursuant to Section 2.14 of this Bond Indenture shall have the same Bond Payment Dates and Maturity Date, shall bear interest at the same rate per annum, shall be subject to redemption at the same times and at the same Redemption Price, and shall have the same minimum denominations as the Series 2022 Bonds.

Section 2.03. Medium and Place of Payment. (a) Principal of, Redemption Price, if any, and interest on the Bonds shall be payable in the currency of the United States of America which, on the respective dates of payment of principal and interest, is tender for the payment of public and private debts.

(b) Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, interest on the Bonds shall be payable by check drawn upon the Bond Trustee and mailed on the Bond Payment Date to the registered Holders of such Bonds at the addresses of such Holders as they appear on the books of the Bond Trustee on the Record Date; provided, however, that interest may be paid by wire or electronic transfer to the Holder of at least $1,000,000 aggregate principal amount of Bonds to the address designated by written notice by such Holder to the Bond Trustee not less than fifteen (15) days prior to the Record Date for such payment. Any such written request shall remain in effect until rescinded in writing by such Holder given to the Bond Trustee. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, principal of and Redemption Price, if any, on the Bonds shall be paid when due by check upon presentation and surrender of such Bonds at the Corporate Trust Office of the Bond Trustee.

(c) In the event of a default by POAH in the payment of interest due on a Bond on a Bond Payment Date, such defaulted interest will be payable to the Person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed, at the written request of and on behalf of POAH, by the Bond Trustee to the registered owners of Bonds not less than ten (10) days preceding such special record date.

(d) POAH or the Bond Trustee may make a charge against any Bondholder sufficient for the reimbursement of any tax or other governmental charge required to be paid in the event that such Bondholder fails to provide a correct taxpayer identification number to the Bond Trustee. Such charge may be deducted from any interest or principal payment due to the Bondholder.

Section 2.04. Mutilated, Destroyed, Lost and Stolen Bonds. If: (i) any mutilated Bond is surrendered to the Bond Trustee or if POAH or the Bond Trustee receives evidence to their satisfaction of the destruction, loss or theft of any Bond; and (ii) there is delivered to POAH and the Bond Trustee such security or indemnity as may be required by POAH or the Bond Trustee to hold them harmless, then, in the absence of notice to the Bond Trustee that such Bond has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of POAH and the Bond Trustee, POAH shall cause to be executed and upon receipt of a written authentication order of POAH, the Bond Trustee shall authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost or stolen Bond, a new Bond of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, then the Bond Trustee may, at the written direction of POAH, pay such Bond when due instead of delivering a new Bond upon the timely receipt of the above-described indemnity or security.

Section 2.05. Execution and Authentication of Bonds. All Bonds shall be executed for and on behalf of POAH by a POAH Representative and attested by its Secretary or Assistant Secretary. The signatures of such officers may be mechanically or photographically reproduced on the Bonds. If any officer of POAH whose signature appears on any Bond ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Bond shall be manually authenticated by an authorized officer of the Bond Trustee, upon the receipt of a written authentication order of POAH, without which authentication no Bond shall be entitled to the benefits hereof.

Section 2.06. Exchange of Bonds. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, Bonds, upon presentation and surrender thereof to the Bond Trustee together with written instructions satisfactory to the Bond Trustee, duly executed by the registered Holder or his or her attorney duly authorized in writing, may be exchanged for an equal aggregate face amount of fully registered Bonds of the same series with the same interest rate and maturity of any other authorized denominations.

Section 2.07. Negotiability and Transfer of Bonds. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof:

(a) All Bonds issued hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Bonds.

(b) So long as any Bonds are Outstanding, POAH shall cause to be maintained at the Corporate Trust Office of the Bond Trustee books for the registration and transfer of Bonds, and shall provide for the registration and transfer of any Bond under such reasonable regulations as POAH or the Bond Trustee may prescribe. The Bond Trustee shall act as bond registrar for purposes of exchanging and registering Bonds in accordance with the provisions hereof.

(c) Each Bond shall be transferable only upon the registration books maintained by the Bond Trustee, by the Holder thereof in person or by his or her attorney duly authorized in writing, upon presentation and surrender of such Bond together with a written instrument of transfer satisfactory to the Bond Trustee duly executed by the registered Holder or his or her duly authorized attorney. Upon surrender for transfer of any such Bond, POAH shall cause to be executed and the Bond Trustee, upon receipt of a written authentication order of POAH, shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same aggregate face amount, maturity, series and rate of interest as the surrendered Bond, as fully registered Bonds only.

(d) Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Bond Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.08. Persons Deemed Owners. As to any Bond, the Person in whose name such Bond shall be recorded on the Bond register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal or interest on any Bond shall be made only to or upon the written order of the registered Holder thereof. Such payment shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the amount so paid.

Section 2.09. Provisions with Respect to Transfers and Exchanges. (a) All Bonds surrendered in any exchange or transfer of Bonds shall forthwith be cancelled and disposed of by the Bond Trustee in accordance with the Bond Trustee's then customary procedures.

(b) In connection with any such exchange or transfer of Bonds the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Bond Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing and any services rendered or expenses incurred by the Bond Trustee in connection with any transfer and exchange of Bonds shall be paid by the Holder.

(c) Neither POAH nor the Bond Trustee shall be obligated to: (i) issue, exchange or transfer any Bond during the period of fifteen (15) days preceding any Bond Payment Date; or (ii) transfer or exchange any Bond which has been or is being called for redemption in whole or in part.

Section 2.10. Conditions for Delivery of Series 2022 Bonds. Upon the execution and delivery hereof, POAH shall execute and deliver to the Bond Trustee, and the Bond Trustee shall authenticate, the Series 2022 Bonds and deliver them to or for the account of the Underwriter as directed by POAH; provided, however, that prior to delivery by the Bond Trustee of the Series 2022 Bonds there shall be delivered to the Bond Trustee the following:

> (a) Executed original counterparts or certified copies of this Bond Indenture and the Purchase Contract.
>
> (b) A request and authorization by POAH to the Bond Trustee to authenticate and deliver the Series 2022 Bonds describing such Series 2022 Bonds, designating the Underwriter to whom such Series 2022 Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of POAH.
>
> (c) A certificate of POAH, signed by a POAH Representative, stating that POAH has no reason to believe that, upon issuance of the Series 2022 Bonds, it will be in default in the performance of any of the terms, provisions or covenants of this Bond Indenture or of the Series 2022 Bonds and that all conditions precedent to the issuance and delivery of the Series 2022 Bonds have not been satisfied and complied with.
>
> (d) One or more Opinions of Counsel addressed to the Bond Trustee or upon which the Bond Trustee may rely to the effect that this Bond Indenture has been duly authorized, executed and delivered by POAH and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid, legal and binding agreement between the parties hereto and the Series 2022 Bonds constitute valid, binding, general obligations of POAH, enforceable in accordance with their terms and the terms of this Bond Indenture.

Section 2.11. Form of Bonds. The definitive Bonds shall be in substantially the form set forth as Exhibit A to this Bond Indenture, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such Bonds on behalf of POAH. Execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 2.12. Temporary Bonds. (a) Until definitive Bonds are prepared, POAH may execute and, upon receipt of a written authentication order of POAH, the Bond Trustee shall authenticate and deliver temporary Bonds which may be typewritten, printed or otherwise reproduced in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of the definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by POAH, shall be substantially of the tenor of the definitive Bonds, but with such omissions, insertions and variations as the officers of POAH executing the same may determine, may only be issued in fully registered form, and may be issued in the form of a single Bond. Where the Bonds are Book-Entry Bonds held by DTC, typewritten certificates shall constitute definitive Bonds.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, POAH shall cause the definitive Bonds to be prepared, executed and delivered to the Bond Trustee. The definitive Bonds shall be prepared in such fashion as is acceptable to the Underwriter. Any temporary Bonds issued shall be exchangeable for definitive Bonds upon surrender to the Bond Trustee at its Corporate Trust Office (or such other location as may be designated by it) of any such temporary Bond or Bonds, and, upon such surrender, POAH shall execute and, upon receipt of a written authentication order of a POAH Representative, the Bond Trustee shall authenticate and deliver to the Holder of the temporary Bond or Bonds, in exchange therefor, a like face amount of definitive Bonds in authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits as definitive Bonds authenticated and issued pursuant hereto.

(c) Interest on temporary Bonds, when and as payable, shall be paid to the registered owner thereof.

(d) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be cancelled and disposed of by the Bond Trustee in accordance with the Bond Trustee's then customary procedures.

Section 2.13. Book-Entry Bonds. (a) Except as provided in subparagraph (c) of this Section 2.13 and in any Supplement, the registered owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire or electronic transfer of funds to the account of Cede & Co. on the Bond Payment Date for the Bonds as indicated on the regular Record Date or special record date for Cede & Co. in the registry books of POAH kept by the Bond Trustee or as otherwise directed by Cede & Co.

(b) The Series 2022 Bonds shall be initially issued in the form of a single fully registered Series 2022 Bond for each series and maturity, authenticated by the Bond Trustee. Upon initial issuance, the ownership of such Bonds shall be registered in the registry books of POAH kept by the Bond Trustee in the name of Cede & Co., as nominee of DTC. The Bond Trustee and POAH may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, Redemption Price, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of the Bonds under this Bond Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of the Bonds and for all other purposes whatsoever, and neither the Bond Trustee nor POAH shall be affected by any notice to the contrary. Neither the Bond Trustee nor POAH shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the Bond Trustee as being a Holder of a Bond, with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment of DTC or any DTC participant of any amount in respect of the principal, Redemption Price, if any, or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Bond Indenture; or any consent given or other action or inaction taken by DTC as Holder of a Bond. The Bond Trustee shall pay all principal of, Redemption Price, if any, and interest on the Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State of New York), and all such payments shall be valid and effective to fully satisfy and discharge POAH's obligations with respect to the principal of, Redemption Price, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond evidencing the obligation of POAH to make payments of principal, Redemption Price, if any, and interest pursuant to this Bond Indenture. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

(c) In the event POAH determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, POAH may notify DTC and the Bond Trustee, whereupon DTC will notify the DTC participants, of the availability through DTC of Bond certificates. In such event, the Bond Trustee shall issue, transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to POAH and the Bond Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), POAH and the Bond Trustee shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this Bond Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, Redemption Price, if any, and interest on such certificates. Whenever DTC requests POAH and the Bond Trustee to do so, the Bond Trustee and POAH will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any DTC participant having Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, Redemption Price, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Holders of Bonds pursuant to this Bond Indenture by POAH or the Bond Trustee with respect to any consent or other action to be taken by Holders of Bonds, POAH or the Bond Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Holder of the Bonds.

(f) The Bond Trustee and POAH may rely on instructions from DTC and its participants as to the names of the Beneficial Owners of the Bonds and neither POAH nor the Bond Trustee shall be liable for the delay or delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions. The cost of printing Bond certificates and expenses of the Bond Trustee shall be paid for by POAH.

Section 2.14. Authorization of Additional Bonds. After the execution, authentication and delivery of the Series 2022 Bonds, Additional Bonds may be authorized to be issued under this Bond Indenture and a Supplement, which may be secured on a parity basis with the Series 2022 Bonds, and upon receipt by the Bond Trustee of the items listed below in this Section 2.14. Such Additional Bonds may be issued to be consolidated with the Series 2022 Bonds, or as a separate series of bonds, in such amount as may be duly authorized by POAH in a Supplement for any corporate purpose of POAH, including refinancing indebtedness of POAH, provided that items listed below in this Section 2.14 are met. No Bondholder consent is required in connection with the issuance of Additional Bonds. Additional Bonds consolidated with the Bonds shall have the same interest rate, redemption provisions, maturity date and other terms (other than issue price) as the Series 2022 Bonds, may have the same CUSIP number as the Series 2022 Bonds and shall be treated as a single series of Bonds for all purposes of this Bond Indenture.

(a) An executed original counterpart or certified copy of the Supplement authorizing the series of Additional Bonds.

(b) A request and authorization by POAH to the Bond Trustee to authenticate and deliver the series of Additional Bonds describing such Additional Bonds, designating the purchasers or underwriters to whom such Additional Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of POAH.

(c) A certificate of POAH, signed by a POAH Representative, stating that POAH has no reason to believe that, upon issuance of the Additional Bonds, it will be in default in the performance of any of the terms, provisions or covenants of this Bond Indenture or of the Bonds and that all conditions precedent to the issuance and delivery of the Additional Bonds have not been satisfied and complied with.

(d) One or more Opinions of Counsel addressed to the Bond Trustee or upon which the Bond Trustee may rely to the effect that the Supplement has been duly authorized, executed and delivered by POAH and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid, legal and binding agreement between the parties thereto and the Additional Bonds constitute valid, binding, general obligations of POAH, enforceable in accordance with their terms and the terms of this Bond Indenture as supplemented by the Supplement.

POAH in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Bond Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Bondholders; provided that the Bond Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. POAH will promptly notify the Bond Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Optional Redemption. The Series 2022 Bonds shall be subject to redemption prior to their stated maturity in whole or in part, at the option of POAH, on any Business Day, (a) on or after June 1, 2032, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed, together with the interest, if any, accrued thereon from the most recent Bond Payment Date to which interest has been duly paid or provided for to the date fixed for redemption, or (b) prior to June 1, 2032, at the Make-Whole Redemption Price, together with accrued interest to the date fixed for redemption.

The terms of any optional redemption for any series of Additional Bonds shall be specified in the Supplement authorizing such series of Additional Bonds.

POAH shall give the Bond Trustee written notice of its intention to prepay and optionally redeem the Series 2022 Bonds under this Section 3.01 and the amount of the Redemption Price therefor (including, as applicable, the Make-Whole Redemption Price therefor) in sufficient time in accordance with Section 3.05 below, to enable the Bond Trustee to give notice of such redemption to Bondholders in accordance with such Section 3.05.

Section 3.02. Purchase In Lieu of Optional Redemption.

(a) POAH shall have the option to purchase any Series 2022 Bonds called for optional redemption (the "Callable Series 2022 Bonds") in lieu of optional redemption of those Series 2022 Bonds. Such option may only be exercised by POAH upon delivery to the Bond Trustee of written notice from POAH at least two (2) Business Days prior to the date set for dissemination of the notice of optional redemption for the Callable Series 2022 Bonds preceding the proposed optional redemption date for the Callable Series 2022 Bonds specifying that the Callable Series 2022 Bonds shall not be redeemed, but instead shall be purchased pursuant to this Bond Indenture. Upon delivery of such notice from POAH, the Callable Series 2022 Bonds shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Series 2022 Bonds. POAH's option to purchase the Callable Series 2022 Bonds shall be effective and contained in the notice of optional redemption/tender sent to the Holders of the Series 2022 Bonds indicating that POAH has exercised, or intends to exercise, such option. No further or additional notice to the Holders of the Series 2022 Bonds shall be required in connection with the purchase of Callable Series 2022 Bonds in lieu of optional redemption. The Callable Series 2022 Bonds purchased shall (i) not be cancelled or retired, but shall continue to be Outstanding under this Bond Indenture, (ii) be registered in the name of, or as directed by, POAH, and (iii) continue to bear interest at the rate provided for in this Bond Indenture. Notwithstanding any provision of this Bond Indenture to the contrary, if at any time the consent of the Holders of the Bonds of a particular percentage of the Bonds then Outstanding is required pursuant to the provisions of this Bond Indenture, any Series 2022 Bonds which have been purchased by POAH and are registered in the name of POAH or any of its affiliates in accordance with the provisions of this Bond Indenture shall be deemed not to be Outstanding under this Bond Indenture for purposes of obtaining such consent.

(b) The terms of any purchase in lieu of optional redemption for any series of Additional Bonds shall be specified in the Supplement authorizing such series of Additional Bonds.

Section 3.03. [Reserved].

Section 3.04. Selection of Bonds for Redemption. If less than all of the Bonds are called for optional redemption, the Bond Trustee shall select the Bonds or any given portion thereof to be redeemed from the Bonds Outstanding or such given portion thereof not previously called for redemption, as directed in writing by POAH or, in the absence of direction, *pro rata*.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for redemption prior to maturity, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

It is POAH's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, POAH can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption randomly in accordance with DTC procedures, by lot. POAH can provide no assurance how DTC and other parties allocate redemption payments.

Section 3.05. Notice of Redemption. So long as DTC is acting as securities depository for the Bonds, notice of optional redemption (direction for which shall be given by POAH to the Bond Trustee at least five (5) Business Days prior to the date of mailing of the notice of optional redemption), will be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for optional redemption, by the Bond Trustee to DTC (not to the Beneficial Owners of any Bonds designated for optional redemption), and shall include the following information: (i) the redemption date, (ii) the principal amount of Bonds to be redeemed, (iii) a description of the redemption price of the Bonds to be redeemed, (iv) a statement to the effect that on the redemption date the redemption price of each of the Bonds to be redeemed will become due and payable, together with accrued and unpaid interest thereon to (but not including) the redemption date, and interest on the Bonds being redeemed shall cease to accrue from and after the redemption date, in each case unless any conditions to such redemption are not met or POAH directs the Bond Trustee in writing to revoke the notice of optional redemption (in each case as provided below in this Section 3.05), (v) the place or places where the Bonds to be redeemed are to be surrendered for payment of the redemption price, if required to be surrendered, and (vi) at the option of POAH, any conditions to the redemption of the Bonds on the redemption date, as provided below in this Section 3.05.

Pursuant to this Bond Indenture, if DTC is not acting as securities depository for the Bonds, notice of optional redemption will be mailed by the Bond Trustee to (i) the respective Holders of any Bonds designated for optional redemption at their addresses appearing on the Bond registration books of the Bond Trustee on the date such notice is mailed and (ii) any successor securities depository. Notices to DTC shall be given by telecopy or by other electronic means at the time of the mailing of notices to Bondholders.

The notice with respect to any optional redemption of Bonds by POAH may state that: (i) such optional redemption is conditional upon the receipt by the Bond Trustee, on or prior to the date fixed for such optional redemption, of such moneys sufficient to pay the Redemption Price of, and accrued but unpaid interest to the redemption date on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Bonds shall not be required to be redeemed; and (ii) such notice is revocable at any time by the Bond Trustee, at the written direction of POAH, prior to the date fixed for redemption. In the event a notice of optional redemption of Bonds contains such conditions and sufficient moneys are not so received or the notice is so revoked, the optional redemption of Bonds as described in the conditional notice of redemption shall not be made and the Bond Trustee shall, within a reasonable time after the date on which such optional redemption was to occur, give notice to the persons and in the manner in which the notice of optional redemption was given, that sufficient moneys were not so received or the notice was so revoked and that there will be no optional redemption of Bonds pursuant to the notice of redemption.

The receipt by any Bondholder of any notice mailed pursuant to the provisions of this Article III shall not be a condition precedent to the redemption of any Bond. Failure by a Bondholder to receive any notice of optional redemption pursuant to this Section 3.05, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for optional redemption.

Section 3.06. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, POAH shall execute and deliver, and upon receipt of a written authentication order of POAH, the Bond Trustee shall authenticate and provide a replacement Bond of the same maturity in a principal amount equal to the portion of such Bond not redeemed, and deliver it to the registered owner thereof. The Bond so surrendered shall be cancelled by the Bond Trustee as provided herein. POAH and the Bond Trustee shall be fully released and discharged from all liability to the extent of payment of the redemption price for such partial redemption.

Section 3.07. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Bond Trustee, the Bonds, or portions thereof, so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds, or portions thereof, so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under this Bond Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All Bonds fully redeemed pursuant to the provisions of this Article III shall be cancelled upon surrender thereof and may be destroyed by the Bond Trustee (as specified in Section 8.14 hereof).

ARTICLE IV

[RESERVED.]

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Creation of Funds and Accounts. Upon the issuance of the Series 2022 Bonds, there shall be created the following funds and accounts:

(a) The Bond Fund, to be held by the Bond Trustee, which shall contain the following accounts:

(i) The Interest Account;

(ii) The Principal Account; and

(iii) The Redemption Account.

(b) The Bond Trustee may establish and maintain for so long as is necessary one or more temporary funds and accounts under this Bond Indenture, including but not limited to a temporary fund for holding the proceeds of the Series 2022 Bonds wired by the Underwriter to the Bond Trustee on the Closing Date.

Section 5.02. Application of Bond Proceeds. All Series 2022 Bond proceeds wired to the Bond Trustee as described in Section 5.01(b) hereof and deposited in such temporary fund shall be applied to the payment of costs of issuance of the Series 2022 Bonds, with the remainder wired to POAH on the Closing Date, all as set forth in written instructions of POAH delivered to the Bond Trustee on the Closing Date in the form of the closing memorandum for the Series 2022 Bonds.

Section 5.03. Flow of Funds. So long as any Bonds are Outstanding, in each year, payments received by the Bond Trustee from POAH shall be deposited into the accounts of the Bond Fund as received and shall be applied in the following manner and order of priority:

(a) Interest Account. The Bond Trustee shall deposit to the Interest Account from payments of POAH (which shall be made by POAH by wire transfer of immediately available funds) on or before the second Business Day prior to each June 1 and December 1, commencing on December 1, 2022, the amount, if any, necessary to cause the amount then being credited to the Interest Account, together with investment earnings on investments then on deposit in the Interest Account, if such earnings will be received before the next Bond Payment Date (but only to the extent that such amount or investment earnings have not previously been credited for purposes of such calculation), to be not less than the amount of interest to be paid on Outstanding Bonds on the next Bond Payment Date. Moneys in the Interest Account shall be used to pay interest on Bonds as it becomes due.

(b) Principal Account. The Bond Trustee shall deposit to the Principal Account from payments of POAH (which shall be made by POAH by wire transfer of immediately available funds) on or before the second Business Day prior to the Maturity Date the amount necessary to cause the amount then being credited to the Principal Account, together with the investment earnings on investments then on deposit in the Principal Account, if such earnings will be received before the Maturity Date, as applicable (but only to the extent that such amount or investment earnings have not previously been credited for purposes of such calculation), to be not less than the principal amount of the Bonds Outstanding which will mature and become due on the Maturity Date. Moneys in the Principal Account shall be used to retire the Bonds by purchase (as set forth in Section 3.02 of this Bond Indenture), redemption or payment at their scheduled maturity.

(c) Redemption Account. If POAH makes an optional prepayment of any principal due on the Bonds, the amount so paid or transferred shall be credited to the Redemption Account and applied promptly by the Bond Trustee, first, to cause the amounts credited to the Interest Account or the Principal

Account of the Bond Fund, in that order, to be not less than the amounts then required to be credited thereto and, then to retire Bonds by purchase, redemption or both purchase and redemption, in accordance with POAH's written directions. Any such purchase shall not be at a cost or price (including brokerage fees or commissions or other charges) which exceeds the Redemption Price at which such Bond could be redeemed on the date of purchase or on the next succeeding date upon which such Bond is subject to optional redemption plus accrued interest to the date of purchase. Any such redemption shall be of Bonds then subject to optional redemption at the Redemption Price then applicable for optional redemption of such Bonds.

Any balance of an optional prepayment remaining in the Redemption Account after the purchase or redemption of all Bonds for the redemption of which such optional prepayment of principal was made, in accordance with POAH's written directions, or in any event on the day following the Bond Payment Date next succeeding the prepayment by POAH, shall be transferred to the Interest Account.

Section 5.04. Investment of Moneys Held by the Bond Trustee. All moneys in any of the Funds and Accounts that are held by the Bond Trustee shall be invested by the Bond Trustee solely in such Permitted Investments as are specified in a written request of POAH filed at least one Business Day prior to investing, provided, however, that, if POAH does not file such a request with the Bond Trustee, the Bond Trustee shall hold such moneys uninvested. Investments shall be made so that the maturity date or date of redemption at the option of the owner of a particular Permitted Investment shall coincide as nearly as practicable with (but in no event later than) the times at which monies are needed to be expended. The Bond Trustee is entitled to rely conclusively on the investment directions of POAH as to suitability and legality of the directed investments.

Investments in any and all Funds and Accounts that are held by the Bond Trustee may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund amounts received or held by the Bond Trustee hereunder, provided that the Bond Trustee shall at all times account for such investments strictly in accordance with the particular Funds or Account to which they are credited and otherwise as provided in this Bond Indenture. The Bond Trustee and its affiliates may act as sponsor, principal or agent in the making or disposing of any investment. The Bond Trustee is hereby authorized and directed to sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Fund or Account to which such securities are credited, and the Bond Trustee shall not be liable or responsible for any loss, tax, fee or other charge resulting from such investment, reinvestment or liquidation of an investment. The Bond Trustee will furnish POAH periodic transaction statements which include detail for all investment transactions made by the Bond Trustee hereunder. In lieu of investment confirmations, such transaction statements shall be deemed confirmation of investments and other activity unless objected to in writing within 30 days of receipt.

Any amounts remaining in the Bond Fund or any other Fund or Account established hereunder after payment in full of the Bonds (or after provision for payment thereof as provided herein), and the fees, charges and expenses of the Bond Trustee, shall belong and be paid to POAH by the Bond Trustee free and clear of any lien of this Bond Indenture.

Section 5.05. Liability of Bond Trustee for Investments. The parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice. The Bond Trustee shall not be liable for the making of any investment authorized by the provisions of this Article V in the manner provided in this Article V or for any loss, tax, fee or other charge resulting from any such investment, reinvestment or liquidation of an investment so made, except as a result of its own gross negligence or of its willful misconduct in carrying out its duties set forth in Section 5.04, all as determined by a court of competent jurisdiction.

Section 5.06. Investment Income. Except as otherwise provided herein, interest income and gain received, or loss realized, from investments of moneys in any Fund or Account that is held by the Bond Trustee shall be credited, or charged, as the case may be, to such respective Fund or Account. All income and gain from Bond Fund investments may be transferred to any other Fund or Account upon written direction of POAH to the Bond Trustee.

ARTICLE VI

GENERAL COVENANTS OF POAH

Section 6.01. Principal and Interest. POAH covenants that it will promptly pay or cause to be paid the principal of, Redemption Price, if any, and interest on each Bond issued hereunder at the place, on the dates and in the manner provided herein and in said Bonds according to the terms thereof. POAH shall deliver funds to the Bond Trustee sufficient to make any payment principal or Redemption Price of and interest on the Bonds no less than two Business Days prior to the date on which such payment is due hereunder.

POAH shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders in accordance with Section 9.02 and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without the written consent of the Bondholders, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Bond Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.01 shall be deemed to limit the right of POAH to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.02. Performance of Covenants. POAH covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Bond executed, authenticated and delivered hereunder and in all proceedings of POAH pertaining thereto. POAH is duly authorized pursuant to law to issue the Bonds and to enter into the Purchase Contract and this Bond Indenture and to pledge and assign the assets purported to be pledged and assigned, respectively, under this Bond Indenture in the manner and to the extent provided in this Bond Indenture. The Bonds and the provisions of the Purchase Contract and this Bond Indenture are and will be the legal, valid and binding general obligations of POAH enforceable in accordance with their terms, and POAH shall at all times, to the fullest extent permitted by law, defend, preserve and protect said pledge and assignment of any such assets and all the rights of the Bondholders under this Bond Indenture against all claims and demands of all Persons whomsoever.

Section 6.03. Instruments of Further Assurance. POAH covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Bond Trustee all interests, revenues and receipts pledged hereby to the payment of the principal of, Redemption Price, if any, and interest on the Bonds in the manner and to the extent contemplated herein.

Section 6.04. Protection of Lien. POAH hereby agrees not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby in the amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, or any part thereof, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

Section 6.05. Securities Law Status. POAH affirmatively represents and warrants that, as of the date of this Bond Indenture, it is an organization organized and operated: (i) exclusively for charitable purposes; (ii) not for pecuniary profit; and (iii) in a manner such that no part of the net earnings thereof inure to the benefit of any Person, private stockholder or individual, all within the meaning, respectively, of the 1933 Act and of the Securities Exchange Act of 1934, as amended. POAH covenants that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section 6.05.

Section 6.06. Indemnity. (a) POAH shall indemnify, defend and hold harmless the Bond Trustee (including its officers, directors, employees, agents, stockholders and affiliates) from and against all claims, liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses and the costs of enforcement of this Bond Indenture), suits and judgments arising out of or in connection with the acceptance or administration of this trust and this Bond Indenture including but not limited to: (i) injury to or death of any Person or damage to property in or upon any property of POAH financed or refinanced, directly or indirectly, out of the proceeds of the Bonds or the occupation, use, possession or condition of such property or any part thereof or related to the foregoing; (ii) any violation of any law, ordinance or regulation affecting such property or any part thereof or the ownership, occupation, use, possession or condition thereof; (iii) the issuance and sale of the Bonds or any portion thereof; (iv) the execution and delivery thereof or of this Bond Indenture or of any document required by this Bond Indenture or in furtherance of the transactions contemplated by this Bond Indenture; or (v) the performance of any act required of any indemnitee under this Section 6.06 or otherwise under this Bond Indenture (including in the exercise or enforcement of rights and remedies pursuant to Article 7); provided, however that this indemnification shall not cover any claims that are solely or primarily the result of gross negligence or willful misconduct of the Bond Trustee, all as determined by a court of competent jurisdiction. The terms of this indemnity shall survive the termination of this Bond Indenture or the earlier resignation or removal of the Bond Trustee.

(b) The Bond Trustee shall reasonably promptly, upon receipt of written notice of the existence of a claim or the commencement of a proceeding regarding which indemnity under this Section 6.06 may be sought, notify POAH in writing thereof. If such a proceeding is commenced against the Bond Trustee, POAH shall have the right to assume the defense thereof and shall be responsible for the fees, costs and expenses of POAH in conducting such defense with counsel reasonably satisfactory to the Bond Trustee. Alternatively, POAH may elect to participate in any such proceedings or allow the Bond Trustee to assume its own defense. In such case, POAH shall be responsible for the reasonable fees, costs and expenses of the Bond Trustee in conducting its defense. If, however, the Bond Trustee is advised in an Opinion of Counsel that there may be legal defenses available to it which are different from or in addition to those available to POAH, or if POAH fails to assume the defense of such proceeding or to employ such counsel for that purpose within 20 calendar days after notice of commencement of the proceeding from the Bond Trustee, POAH shall not be entitled to assume the defense of the proceeding on behalf of the Bond Trustee, but shall remain responsible for the reasonable fees, costs and expenses of the Bond Trustee in conducting its defense.

(c) POAH shall have the exclusive right to compromise and settle any claim regarding which indemnity under this Section 6.06 may be sought; provided, however, that the Bond Trustee must approve (such approval not to be unreasonably withheld) the terms of any settlement or compromise that may impose any un-indemnified monetary liability or any nonmonetary liability on the Bond Trustee.

(d) The provisions of this Section 6.06 shall survive the termination of the Bond Indenture and the resignation or removal of the Bond Trustee.

Section 6.07. Continuing Disclosure. POAH hereby agrees to use commercially reasonable efforts to post or cause to be posted on POAH's website, not later than 180 days after the end of each fiscal year of POAH, commencing with the fiscal year ended December 31, 2022, (i) copies of POAH's annual audited financial statements for each fiscal year and (ii) a copy of its Owned Real Estate Portfolio, as shown in "APPENDIX A — PRESERVATION OF AFFORDABLE HOUSING, INC. — Exhibit B" to the Offering Memorandum, provided, however, that upon the receipt by POAH of the advice of its auditors or other consultants, POAH may change the make-up, presentation style, etc. of such tables from time to time, and shall describe on its website any such changes. The failure of POAH to comply with the covenants of this Section 6.07 shall not be considered a Bond Indenture Event of Default. As the sole and exclusive remedy for POAH's failure to comply with this Section 6.07, the Bond Trustee may (and, at the written request of the holders of at least 51% in aggregate principal amount of the Outstanding Bonds and provision of indemnity satisfactory to the Bond Trustee, shall), or any Bondholder or any owner of a beneficial interest in a Bond or Bonds may, take such actions to seek specific performance by court order and to cause POAH to comply with its obligations under this Section 6.07, and no person, including any Holder or any Beneficial Owner of the Bonds, may recover monetary damages with respect thereto.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.01. Bond Indenture Events of Default. Each of the following is hereby declared a "Bond Indenture Event of Default" hereunder:

(a) If payment by POAH in respect of any installment of interest on any Bond shall not be made in full when the same becomes due and payable;

(b) If payment by POAH in respect of the principal of or Redemption Price, if any, on any Bond shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise;

(c) POAH shall fail to observe or perform any covenant or agreement (other than as set forth in Section 6.07 hereof) on its part under this Bond Indenture (other than as described in clauses (a) or (b) above) for a period of sixty (60) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been received by POAH and by the Bond Trustee, or to POAH and the Bond Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding. If the breach of the covenant or agreement is one which cannot be completely remedied within the sixty (60) days after written notice has been received, it shall not be a Bond Indenture Event of Default as long as POAH has provided the Bond Trustee written notice executed by a POAH Representative certifying that POAH has taken active steps within the sixty (60) days after written notice has been received to remedy the failure and is diligently pursuing such remedy;

(d) POAH shall default in the payment of any indebtedness for borrowed moneys (not including payment of any amounts due in connection with the transactions contemplated hereunder), which indebtedness is in an outstanding principal amount in excess of $20,000,000, whether such indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired where the effect of such default is to accelerate the maturity of such indebtedness prior to its stated maturity; provided, however, that such default shall not constitute a Bond Indenture Event of Default within the meaning of this Section 7.01 if within ninety (90) days after such indebtedness is accelerated, such default shall have been remedied by amendment or otherwise, waived or excused;

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging POAH bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of POAH under the Federal Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of POAH or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days; or

(f) POAH institutes proceedings to be adjudicated bankrupt or insolvent, or the consent by POAH is given to bankruptcy or insolvency proceedings being instituted against it, or the filing by POAH of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or the consent by POAH to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of POAH or of any substantial part of its property, or the making by POAH of an assignment for the benefit of creditors, or the admission by POAH in writing of its inability to pay its debts generally as they become due.

Section 7.02. Acceleration; Annulment of Acceleration. (a) Upon the occurrence of a Bond Indenture Event of Default, the Bond Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding shall, without any further action, declare the principal of all Bonds Outstanding, and the interest accrued thereon, to be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. The Bond Trustee shall declare such acceleration without regard to receipt of prior indemnification under Section 8.08 hereof. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon prior to such acceleration and all interest which accrues thereon to the date of payment. The Make-Whole Redemption Price shall not be payable in the event of an acceleration of the Bonds. The Bond Trustee shall give written notice of such acceleration to POAH and the Bondholders stating the accelerated date on which the Bonds shall be due and payable.

(b) If at any time after the principal of the Bonds shall have been so declared to be due and payable as a result of a Bond Indenture Event of Default, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Indenture, moneys shall have accumulated in the appropriate Funds and Accounts created under this Bond Indenture sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last Bond Payment Date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Bond Trustee and all other amounts then payable by POAH hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bond Trustee, and every other Bond Indenture Event of Default known to the Bond Trustee in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this Bond Indenture (other than a default in the payment of the principal of such Bonds then due and payable only because of the declaration under this Section 7.02) shall have been remedied to the satisfaction of the Bond Trustee, then, upon written request of POAH, and in every such case the Bond Trustee shall, by written notice to POAH, rescind and annul such declaration and its consequences, and the Bond Trustee shall promptly give written notice of such annulment in the same manner as provided in subsection (a) of this Section 7.02 for giving notice of acceleration. No such annulment shall extend to or affect any subsequent Bond Indenture Event of Default or impair any right consequent thereon.

Section 7.03. Additional Remedies and Enforcement of Remedies. (i) Upon the occurrence and continuance of any Bond Indenture Event of Default, the Bond Trustee may or upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Bond Trustee to its satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(ii) Civil action to recover money or damages due and owing;

(iii) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds; and

(iv) Enforcement of any other right of the Bondholders conferred by law or hereby.

(b) Regardless of the happening of a Bond Indenture Event of Default, the Bond Trustee, if requested in writing by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient: (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof; or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and is not unduly prejudicial to the interest of the Holders of Bonds not making such request.

Section 7.04. Application of Revenues and Other Moneys After Default. During the continuance of a Bond Indenture Event of Default all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Bond Indenture shall, after payment of any fees owed to the Bond Trustee and the reasonable costs and expenses of the proceedings which result in the collection of such moneys and of the reasonable fees, expenses and advances incurred or made by the Bond Trustee with respect thereto and any indemnities owing to the Bond Trustee, and the payment of any amounts due hereunder, be deposited in the Bond Fund, and all amounts held by the Bond Trustee hereunder shall be applied as follows:

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or Redemption Price of any Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions hereof), whether at maturity or by call for redemption, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) of this Section 7.04 in the event that the principal amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 7.04.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section 7.04, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, in accordance with the provisions hereof. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such date shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of this Section 7.04, and all reasonable fees, expenses and charges of the Bond Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to POAH or as a court of competent jurisdiction may direct.

Section 7.05. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Bond Trustee or the Bondholders is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity on or after the date hereof.

Section 7.06. Remedies Vested in the Bond Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Bond Trustee may be brought in its name as the Bond Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.04 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 7.07. Bondholders' Control of Proceedings. If a Bond Indenture Event of Default shall have occurred and be continuing, notwithstanding anything herein to the contrary, the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Bond Trustee to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Bond Trustee as provided herein) and is not unduly prejudicial to the interest of Bondholders not joining in such direction and provided further that nothing in this Section 7.07 shall impair the right of the Bond Trustee to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 7.08. Individual Bondholder Action Restricted. (i) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder unless:

(ii) a Bond Indenture Event of Default has occurred (A) under subsection (a) or (b) of Section 7.01 hereof of which the Bond Trustee is deemed to have notice, or (B) under subsection (c), (d), (e) or (f) of Section 7.01 hereof as to which the Bond Trustee has actual knowledge or as to which the Bond Trustee has been notified in writing;

(iii) the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Bond Trustee to proceed to exercise the powers granted herein or to institute such action, suit or proceeding in its own name;

(iv) such Bondholders shall have offered the Bond Trustee indemnity as provided in Section 8.08 hereof;

(v) the Bond Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity; and

(vi) during such sixty (60) day period no direction inconsistent with such written request has been delivered to the Bond Trustee by the Holders of a majority in aggregate principal amount of Bonds then Outstanding in accordance with Section 7.07 hereof.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (it being understood that the Bond Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders): (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof; or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds or for the benefit of the Bond Trustee.

Section 7.09. Termination of Proceedings. In case any proceeding taken by the Bond Trustee on account of a Bond Indenture Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee or to the Bondholders, then POAH, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bond Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 7.10. Waiver of Bond Indenture Event of Default. (a) No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Bond Indenture Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Bond Indenture Event of Default or an acquiescence therein. Every power and remedy given by this Article VII to the Bond Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Bond Trustee may waive, at the written direction of a majority of the Holders of the Bonds, any Bond Indenture Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Bond Trustee, upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, shall waive any Bond Indenture Event of Default hereunder and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of Section 7.02 hereof, a default in the payment of the principal amount of, Redemption Price, if any, or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(d) In case of any waiver by the Bond Trustee of a Bond Indenture Event of Default hereunder, POAH, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Bond Indenture Event of Default or impair any right consequent thereon. The Bond Trustee shall not be responsible to any person for waiving or refraining from waiving any Bond Indenture Event of Default in accordance with this Section 7.10.

Section 7.11. Notice of Default. (a) Promptly, but in any event within thirty (30) days after: (i) the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) hereof, which the Bond Trustee is deemed to have notice; or (ii) the receipt, in writing or otherwise, by the Bond Trustee of actual knowledge or notice of a Bond Indenture Event of Default under Section 7.01 (c), (d), (e) or (f) hereof, the Bond Trustee shall, unless such Bond Indenture Event of Default shall have theretofore been cured or waived, give written notice thereof by first class mail to each Holder of a Bond then Outstanding; provided that, except in the case of a default in the payment of principal amounts or the Redemption Price of or interest on any of the Bonds, the Bond Trustee may withhold such notice to such Holders if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(b) The Bond Trustee shall promptly notify POAH: (i) of the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) hereof; and (ii) when the Bond Trustee has received actual knowledge or notice, in writing or otherwise, of a Bond Indenture Event of Default under Section 7.01(c), (d), (e) or (f) hereof.

Section 7.12. Limitations on Remedies. It is the purpose and intention of this Article VII to provide rights and remedies to the Bond Trustee and Bondholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Bond Trustee and the Bondholders shall be entitled as above set forth, to every other right and remedy provided in this Bond Indenture and by law.

ARTICLE VIII

THE BOND TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Bond Trustee.

(a) The Bond Trustee shall perform such duties and only such duties as are specifically set forth in this Bond Indenture. The Bond Trustee shall, during the existence of any Bond Indenture Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. By execution hereof, the Bond Trustee shall evidence the acceptance of the powers, duties and obligations of the Bond Trustee as set forth herein. All Bonds shall be authenticated by the Bond Trustee before delivery in the manner and form provided herein. The Bond Trustee shall have no duty, responsibility or obligation for the issuance of Bonds or for the validity or exactness hereof, or of any other document relating to such issuance. The Bond Trustee makes no representations as to the validity or sufficiency of this Bond Indenture, any Bond or any pledge or security for the Bonds and further is not responsible for, and makes no representations with respect to, matters set forth in any offering memorandum, official statement or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee shall have no duty, responsibility or obligation for the payment of Bonds except for payment in accordance with the terms and provisions hereof from, and to the extent of, funds which are held in trust by the Bond Trustee for the purpose of such payment.

The Bond Trustee shall have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Bond Trustee's own gross negligence or of its willful misconduct, all as finally determined by a court of competent jurisdiction. The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture. The duties and obligations of the Bond Trustee shall be determined solely by the express provisions hereof and no implied covenants or obligations against the Bond Trustee shall be read into this Bond Indenture.

The Bond Trustee shall be entitled to request and receive written instructions from POAH and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of POAH, except if such action or inaction is a result of the Bond Trustee's own gross negligence or of its willful misconduct, all as finally determined by a court of competent jurisdiction. The Bond Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Bond Indenture and the Bonds, whether or not an original or a copy of such agreement has been provided to the Bond Trustee.

The Bond Trustee shall not be required to expend or risk its own funds or, except as may result from its own gross negligence or of its willful misconduct, otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bond Trustee, all as determined by a court of competent jurisdiction.

(b) POAH may remove the Bond Trustee at any time unless a Bond Indenture Event of Default shall have occurred and then be continuing, and shall remove the Bond Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its respective property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its respective property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Trustee, as the case may be, and thereupon shall appoint a successor Bond Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign and be discharged from its duties and obligations hereunder at any time by giving thirty (30) days' prior written notice of such resignation to POAH specifying the date when such resignation shall take effect. Upon receiving such notice of resignation, POAH shall promptly appoint a successor Bond Trustee by an instrument in writing.

(d) Any removal or resignation of the Bond Trustee and appointment of a successor thereto shall become effective upon acceptance of appointment by the successor Bond Trustee. If no successor Bond Trustee shall have been appointed and have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Bond Trustee shall be entitled at its sole discretion (at the sole cost and expense of POAH, including with respect to reasonable attorneys' fees and expenses), or any Bondholder (on behalf of himself and all other Bondholders) may petition, at POAH's expense, any court of competent jurisdiction for the appointment of a successor Bond Trustee or for other appropriate relief at the expense of POAH, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Trustee, and any such resulting appointment or relief shall be binding upon all of the parties in interest hereto. Any successor Bond Trustee appointed under this Bond Indenture shall signify its acceptance of such appointment by executing and delivering to POAH and to its predecessor Bond Trustee a written acceptance thereof, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Bond Trustee, with like effect as if originally named Bond Trustee herein; but, nevertheless at the request of POAH or the request of the successor Bond Trustee, such predecessor Bond Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Bond Trustee all the right, title and interest of such predecessor Bond Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Bond Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Bond Trustee, POAH shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Bond Trustee as provided in this subsection, such successor Bond Trustee shall mail a notice of the succession of such Bond Trustee to the trusts hereunder to the Bondholders at the addresses shown on the bond registration books maintained by the Bond Trustee, to POAH and to each rating agency then rating the Bonds.

(e) Any Bond Trustee appointed under the provisions of this Bond Indenture shall be a trust company, association, corporation or bank having trust powers, having a corporate trust office in the State or, if it shall not have a principal corporate trust office in the State, having the power under State law to perform all the duties of the Bond Trustee hereunder as evidenced by an opinion of its counsel, having a combined capital (exclusive of borrowed capital) and surplus (or the parent holding company of which has a combined capital and surplus) of at least $50,000,000 and subject to supervision or examination by State or federal authorities. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

Section 8.02. Merger or Consolidation. Any company, corporation or association into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company, corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any company, corporation or association to which the Bond Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company, corporation or association shall be eligible under subsection (e) of Section 8.01, shall be and become the successor to such Bond Trustee under this Bond Indenture and will have succeeded to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Rights of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of POAH, and the Bond Trustee does not assume any responsibility or liability for the correctness of the same or for any statement contained in any offering memorandum or disclosure material prepared in connection with the issuance of the Bonds or make any representations as to the validity or sufficiency of this Bond Indenture or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its respective duties hereunder, except for its own gross negligence or its willful misconduct, all as finally determined by a court of competent jurisdiction.

(b) The Bond Trustee shall not be liable for any action taken or errors of judgment made in good faith unless it shall be proved that such party was grossly negligent in ascertaining the pertinent facts.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture. The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty, and, with respect to such permissive rights, the Bond Trustee shall not be answerable for other than its gross negligence or willful misconduct, all as finally determined by a court of competent jurisdiction. The Bond Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Bond Indenture. These duties shall be deemed purely ministerial in nature, and the Bond Trustee shall not be liable except for the performance of such duties as provided for herein, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee.

(d) Except as otherwise expressly provided for herein, the Bond Trustee shall not be under any obligation to exercise any of the rights or powers vested in it by this Bond Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee reasonable indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be deemed to have knowledge of any Bond Indenture Event of Default, other than a Bond Indenture Event of Default described in Section 7.01(a) or (b) hereof, unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof, at its Corporate Trust Office. Except as otherwise expressly provided herein, the Bond Trustee shall not be bound to ascertain or inquire as to, nor shall the Bond Trustee be responsible for or chargeable with, knowledge of, the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the instruments or documents executed in connection with the Bonds or as to the existence of a Bond Indenture Event of Default hereunder. Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor, know or inquire as to (i) the performance or nonperformance of any provision of any other agreement instrument or document, other than this Bond Indenture and the Bonds and/or (ii) the performance or any action of POAH or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(f) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Bond Trustee has no obligation or liability to the Bondholders for the payment of the principal of or the interest or Redemption Price, if any, on the Bonds. The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture at the request or direction of POAH pursuant to the provisions of this Bond Indenture, unless POAH shall have offered to the Bond Trustee security or indemnity (satisfactory to the Bond Trustee in its sole and absolute discretion) against the costs, expenses (including fees and expenses of its attorneys) and liabilities which may be incurred by it in compliance with such request or direction.

(g) The Bond Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Bond Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it. The Bond Trustee may, but shall have no obligation to, give, execute, deliver, file, record, authorize or obtain any financing statements, notices, instruments, documents, agreements, consents or other papers as shall be necessary to (i) create, preserve, perfect or validate the security interest granted to the Bond Trustee pursuant to this Bond Indenture or (ii) enable the Bond Trustee to exercise or enforce its rights under this Bond Indenture with respect to such security interest. In addition, the Bond Trustee shall have no responsibility or liability (i) in connection with the acts of omissions of POAH in respect of the foregoing, (ii) for or with respect to the legality, validity, sufficiency, value, genuineness, ownership, transferability and/or enforceability of any security interest created in the moneys, securities or funds held by the Bond Trustee or the perfection and priority of such security interest, and/or (iii) as to the validity, sufficiency, value, genuineness, ownership or transferability of the money or property held in accordance herewith, the investments made or sold in accordance herewith, written instructions, or any other documents in connection therewith, and will not be deemed or regarded as making nor be required to make, any representations thereto.

(h) The Bond Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(i) The Bond Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by POAH of the Project. In no event shall the Bond Trustee be liable for incidental, punitive, indirect, special or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action, in connection with or arising from this Bond Indenture.

(j) The Bond Trustee shall have the right to accept and act upon instructions or directions pursuant to this Bond Indenture, including funds transfer instructions (such instructions and directions, collectively, "Instructions") sent by Electronic Means (as defined below); provided, however, that: (i) the Bond Trustee shall be entitled to require that it shall have received an incumbency certificate listing persons authorized to give such Instructions ("Authorized Persons") and containing specimen signatures of such Authorized Persons, which incumbency certificate shall be amended and replaced by POAH whenever a person is to be added or deleted from the listing; and (ii) POAH shall send an executed version, with an original signature, of such Instruction as soon as reasonably possible thereafter to the attention of the Bond Trustee. If POAH elects to give the Bond Trustee e-mail or facsimile Instructions (or Instructions by other Electronic Means) and the Bond Trustee elects to act upon such Instructions, the Bond Trustee's understanding of such instructions shall be deemed controlling. POAH understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Person listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Person. POAH shall be responsible for ensuring that only Authorized Persons transmit such Instructions to the Bond Trustee and that POAH and all Authorized Persons are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by POAH. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding if such instructions conflict or are inconsistent with a subsequent written Instruction, other than any such loss that is deemed a direct result of the Bond Trustee's gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction. POAH agrees to assume all risks arising out of the use of such Electronic Means to submit Instructions and directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties. POAH agrees that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by POAH (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. As used herein, "Electronic Means" shall mean the following communications methods: unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

(k) From the effective date of this Bond Indenture, the Bond Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of an unavoidable delay in the performance of such obligations under this Bond Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority, acts of God, earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; or any similar event and/or occurrences beyond the control of the Bond Trustee.

(l) The parties hereto acknowledge that, in accordance with Section 326 of the U.S.A. Patriot Act, the Bond Trustee may be required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Bond Trustee. POAH agrees that it will provide the Bond Trustee with such information as is reasonably available to POAH and as the Bond Trustee may request in order for the Bond Trustee to satisfy the requirements of the U.S.A. Patriot Act.

(m) The Bond Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

Section 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee may, at the expense of POAH, request, conclusively rely on and shall be protected in acting upon, or refraining from acting upon, or otherwise relying upon, any statement, instrument, direction, notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond, debenture, note, other evidence of indebtedness or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Bond Trustee may consult with counsel and/or other professionals of its selection, who may be counsel of or to POAH, with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in accordance therewith. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by POAH to the Bond Trustee shall be sufficiently executed if executed in the name of the POAH Representative.

The Bond Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Bond Indenture the Bond Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of POAH, signed by a POAH Representative, and such certificate shall be full warrant to the Bond Trustee for any action taken or suffered under the provisions of this Bond Indenture in reliance upon such certificate, but the Bond Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. Until all liability of the Bond Trustee with respect to the moneys hereunder shall have ceased in accordance with Section 10.01, all documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of POAH and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours, upon reasonable prior written notice and under reasonable conditions.

Section 8.06. Compensation of Bond Trustee. POAH shall pay to the Bond Trustee from time to time such reasonable compensation as shall be agreed in writing between POAH and the Bond Trustee for all services rendered hereunder and all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees incurred in and about the performance of its powers and duties hereunder as set forth in that certain Trustee Fee Agreement, dated prior to or as of the date hereof, by and between POAH and the Bond Trustee, which compensation shall be paid by POAH. Such compensation is intended for the Bond Trustee's services as contemplated by this Bond Indenture. The obligations of POAH under this Section 8.06 and under Section 6.06 shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Bond Indenture. The rights of the Bond Trustee to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances, and to indemnification under Section 6.06, shall have a lien prior to the Bonds in respect of all property and funds held or collected by the Bond Trustee.

Section 8.07. Agents. The Bond Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder (including, without limitation, the powers and duties of a paying agent for the payment of the principal of and Redemption Price, if any, and interest on the Bonds, of an authenticating agent and of a registrar) either directly or by or through agents, attorneys, affiliates or receivers, shall be entitled to rely on advice of counsel concerning all matters of trust and its duties hereunder, and shall not be responsible for the negligence or willful misconduct of any such agent, attorney, affiliate or receiver appointed by it with due care.

Section 8.08. The Bond Trustee Not Required to Take Action Unless Indemnified. Except as expressly required herein, the Bond Trustee shall neither be required to institute any suit or action or other proceeding hereunder or appear in any suit or action or other proceeding in which it may be a defendant, or to take any steps to enforce its rights and expose it to liability, nor shall the Bond Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its satisfaction, against any and all reasonable costs, expenses, outlays, including counsel fees and expenses and other fees, other disbursements including its own reasonable fees and against all liabilities and damages (including but not limited to liability related to environmental laws and regulations). The Bond Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else which in its judgment is proper to be done by it as the Bond Trustee, without prior assurance of indemnity, and in such case POAH shall reimburse the Bond Trustee for all costs, expenses, outlays, including counsel fees and expenses and other fees previously agreed upon in writing, and other reasonable disbursements including its own fees, and for all liabilities and damages (including but not limited to liability related to environmental laws and regulations) suffered by the Bond Trustee in connection therewith, except for the Bond Trustee's gross negligence, or of its willful misconduct, all as finally determined by a court of competent jurisdiction. If the Bond Trustee begins, appears in or defends such a suit, the Bond Trustee shall give reasonably prompt notice of such action to POAH, and shall give such notice prior to taking such action if possible. If POAH shall fail to make such reimbursement, the Bond Trustee may reimburse itself from any surplus money created hereby; provided, however, that if the Bond Trustee shall collect any amounts or obtain a judgment, decree or recovery, by exercising the remedies available to it hereunder, the Bond Trustee shall have a first claim upon the amount recovered for payment of its reasonable costs, expenses, outlays, including counsel fees and expenses and other fees incurred. The obligations of POAH under this Section 8.08 shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Bond Indenture.

Section 8.09. Employment of Experts. The Bond Trustee is hereby authorized to employ as its agents such attorneys at law, certified public accountants, appraisers, engineers, and recognized authorities in their fields (who are not employees of the Bond Trustee), as it may deem necessary to carry out any of its obligations hereunder, and shall be reimbursed by POAH for all reasonable costs, expenses and charges in so doing. The Bond Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Bond Trustee.

The Bond Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect to any action taken or not taken by the Bond Trustee hereunder in good faith and in reliance thereon.

Section 8.10. Enforcement of Performance by Others. It shall not be the duty of the Bond Trustee, except as herein provided, to see that any duties and obligations herein imposed upon POAH are performed.

Section 8.11. Right to Deal in Bonds and Take Other Actions. The Bond Trustee may in good faith buy, sell or hold and deal in any Bonds with like effect as if it were not such Bond Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Bond Trustee were not the Bond Trustee. It is understood and agreed that the Bond Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Bond Trustee or any affiliate of the Bond Trustee to engage in business with POAH or any Holder. So engaging in such business shall not, in and of itself, constitute a breach of trust on the part of the Bond Trustee.

Section 8.12. Proof of Claim. The Bond Trustee shall have the right and power to act in its name or in the name and place of the Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Bond Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees and expenses), costs, expenses and advances incurred by the Bond Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Holders of Bonds Outstanding.

Section 8.13. Recitals and Representations. The recitals, statements and representations contained herein or in any Bond (excluding the Bond Trustee's authentication on the Bonds) shall be taken and construed as made by and on the part of POAH, and not by the Bond Trustee, and the Bond Trustee neither assumes nor shall be under any responsibility or liability for the correctness of the same.

The Bond Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or, except as herein required, the filing or recording or registering of any document. The Bond Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Bond Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Bond Trustee shall not be responsible or liable for any loss, tax, fee or other charge suffered in connection with the investment, reinvestment or liquidation of an investment of any funds made by it in accordance with the provisions hereof. Except with respect to Bond Indenture Events of Default described in Section 7.01(a) and (b) hereof, the Bond Trustee shall have no duty of inquiry with respect to any Bond Indenture Events of Default described herein without actual knowledge of or receipt by the Bond Trustee of written notice of a Bond Indenture Event of Default from POAH or any Holder.

Section 8.14. Destruction of Bonds. Upon payment of or surrender to the Bond Trustee for cancellation of any Bond, the Bond Trustee shall cancel and/or dispose of such Bond in accordance with applicable law and in accordance with the Bond Trustee's then customary procedures. Whenever in this Bond

Indenture provision is made for the cancellation by the Bond Trustee and the delivery to POAH of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, dispose of such Bonds in accordance with the Bond Trustee's then customary procedures.

Section 8.15. Reports. The Bond Trustee shall prepare and submit to POAH on a monthly basis reports or statements covering all moneys received and all payments, expenditures and investments made as the Bond Trustee hereunder since the last previous report. In addition, the Bond Trustee shall provide a written bill to POAH, no later than fifteen (15) Business Days prior to the due date, reflecting any amounts due from POAH to the Bond Trustee under this Bond Indenture, including, but not limited to, bills for debt service; provided, however, that the failure by the Bond Trustee to so provide any such bill shall not relieve the obligation of POAH to pay any such amounts due. POAH acknowledges and agrees that broker confirmations of Permitted Investments are not required to be rendered by the Bond Trustee for any month in which a monthly statement is rendered, and that no statement is required to be rendered for any fund or account if no activity occurred in such fund or account during such month.

ARTICLE IX

SUPPLEMENTS

Section 9.01. Supplements Not Requiring Consent of Bondholders. POAH and the Bond Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplements, which Supplement or Supplements thereafter shall form a part of this Bond Indenture, for one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission herein;

(b) To correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make or modify any other provisions with respect to matters or questions arising hereunder which shall not materially adversely affect the interests of the Holders;

(c) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) To qualify this Bond Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect;

(e) To secure additional revenues or provide additional security or reserves for payment of the Bonds;

(f) To replace the Bond Trustee in accordance with Section 8.01 hereof; and

(g) To provide for the issuance of Additional Bonds on a parity with other Bonds issued hereunder.

Any Supplement authorized by the provisions of this Section 9.01 may be executed by POAH and the Bond Trustee without the consent of the Holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02, but the Bond Trustee shall not be obligated to enter into any such Supplement which affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

Upon the written request of POAH, the Bond Trustee shall mail or send by electronic means an executed copy of a Supplement authorized by this Section 9.01 to POAH and any rating agency, as specified in such request, then rating the Bonds reasonably promptly after execution by POAH and the Bond Trustee.

Section 9.02. Supplements Requiring Consent of Bondholders. (i) Other than Supplements referred to in Section 9.01 hereof and subject to the terms and provisions and limitations contained in this Article IX and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by POAH and the Bond Trustee of such Supplements as shall be deemed necessary and desirable by POAH for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, nothing in this Section 9.02 shall permit or be construed as permitting a Supplement which would:

> (ii) extend the stated maturity of or time for paying interest on any Bond or reduce the principal amount of or the Redemption Price or rate of interest payable on any Bond without the consent of the Holder of such Bond;
>
> (iii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or
>
> (iv) reduce the aggregate principal amount of Bonds then Outstanding, the consent of the Holders of which is required to authorize such Supplement, without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time POAH shall request the Bond Trustee to enter into a Supplement pursuant to this Section 9.02, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause written notice, such notice to be prepared by POAH, of the proposed execution of such Supplement to be mailed by first class mail, postage prepaid, or by electronic means, to all Holders of Bonds then Outstanding at their addresses as they appear on the registration books herein provided for. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive, the notice required by this Section 9.02, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this Section 9.02. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the corporate trust office of the Bond Trustee for inspection by all Bondholders.

(c) If within such period, not exceeding three years, as shall be prescribed by POAH, following the first giving of such notice, the Bond Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Bonds specified in subsection 9.02(a) for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Bond Trustee, thereupon, but not otherwise, the Bond Trustee may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Bond Trustee, prior to the execution by the Bond Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the Supplement, the Bond Trustee shall make and file with POAH a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the execution of such Supplement as herein provided, no Holder of any Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or POAH from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. Execution and Effect of Supplements. (a) In executing any Supplement permitted by this Article IX, the Bond Trustee shall be provided and may rely upon a certificate of a POAH Representative as to factual matters and upon an Opinion of Counsel stating that the execution of such Supplement is the legal, valid and binding obligation of POAH, and is legally authorized or permitted hereby, and stating that in such counsel's opinion all conditions precedent contained in this Bond Indenture applicable to the execution and delivery of such Supplement have been complied with. The Bond Trustee may, but shall not be obligated to, enter into any such Supplement which affects the Bond Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article IX, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of a Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Bond authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article IX may, and if required by POAH or the Bond Trustee shall, bear a notation in form approved by POAH and Bond Trustee as to any matter provided for in such Supplement. If POAH shall so determine, new Bonds so modified as to conform, in the opinion of POAH set forth in a certificate of a POAH Representative, to any such Supplement may be prepared and executed by POAH and, upon the receipt of a written authentication order of a POAH Representative, authenticated and delivered by the Bond Trustee in exchange for and upon surrender of Bonds then Outstanding.

ARTICLE X

SATISFACTION AND DISCHARGE

Section 10.01. Discharge. If payment of all principal of, Redemption Price, if any, and interest on the Bonds in accordance with their terms and as provided herein is made, and if all other sums payable by POAH hereunder shall be paid or provided for, then the liens, estates and security interests granted hereby shall cease. Thereupon, upon the written request of POAH, and upon receipt by the Bond Trustee of a certificate of a POAH Representative and an Opinion of Counsel stating that all legal conditions hereunder that are precedent to the satisfaction and discharge of the lien hereof have been satisfied, the Bond Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof and the Bond Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Bond Trustee for payment of amounts due or to become due on the Bonds, to POAH or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Bond Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith, and shall be without prejudice to any terms hereof that survive the discharge or termination of this Bond Indenture according to their terms.

POAH may at any time surrender to the Bond Trustee for cancellation any Bond previously authenticated and delivered which POAH may have acquired in any manner whatsoever and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

Bonds may be paid by POAH in any of the following ways, provided that POAH also pays or causes to be paid any other sums payable hereunder by POAH:

(a) by paying or causing to be paid the principal of and interest on the Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, money or securities (which securities must have a maturity date on or prior to the date of maturity or redemption for the Bonds) in the necessary amount (as provided in and subject to Section 10.03(b) hereof) to pay or redeem all Bonds Outstanding; or

(c) by delivering to the Bond Trustee, for cancellation by it, all Bonds Outstanding.

If POAH shall pay all Bonds then Outstanding as provided above and shall also pay or cause to be paid all other sums payable hereunder by POAH, then and in that case, at the election of POAH (evidenced by a certificate of POAH, executed by a POAH Representative, filed with the Bond Trustee, signifying the intention of POAH to discharge all such indebtedness and this Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge made under this Bond Indenture and all covenants, agreements and other obligations of POAH under this Bond Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 hereof and the obligations set forth in Sections 6.06 and 8.06 hereof. In such event, upon request of POAH, the Bond Trustee shall cause a statement for such period or periods as may be requested by POAH to be prepared and filed with POAH and shall execute and deliver to POAH all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to POAH all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and which are not required for the payment of fees and expenses of the Bond Trustee.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities (which securities must have a maturity date on or prior to the date of maturity or redemption for the Bonds) in the necessary amount (as provided in and subject to Section 10.03 hereof) to pay or redeem any Outstanding Bond, whether upon or prior to the maturity of such Bond or the redemption date of such Bond (provided that, if such Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article III hereof or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice prior to its maturity or redemption date), then all liability of POAH in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Holder thereof shall be entitled to payment of the principal of and interest on such Bond by POAH, and POAH shall remain liable for such payment but only out of the money or securities deposited with the Bond Trustee as aforesaid for its payment, provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

POAH may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which POAH may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Defeasance. (a) If POAH shall pay or cause to be paid, or there shall be otherwise paid, to the registered owners of all or any of the Bonds then Outstanding, the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein and in this Bond Indenture and any Supplement, and all fees and expenses of the Bond Trustee, then the pledge of any moneys and securities hereby pledged to such Bonds and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Bond Trustee shall, upon the request of POAH, execute and deliver to POAH all such instruments as may be desirable to evidence such discharge and satisfaction and the Bond Trustee or other fiduciary shall pay or deliver to POAH all moneys or securities held by it pursuant to this Bond Indenture and any Supplement which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to be used by POAH in any lawful manner including distribution to POAH, and shall be without prejudice to any terms hereof that survive the discharge or termination of this Bond Indenture according to their terms.

(b) Any Bonds for which moneys shall then be held by a trustee, which may be the Bond Trustee (through deposit by POAH of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in this Section 10.03. Any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subparagraph (a) of this Section 10.03 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, POAH shall have given to the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable instructions to give notice of redemption on such date of such Bonds; (ii) there shall have been deposited with the Bond Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations (which must have a maturity date prior to the maturity date or redemption date for the Bonds, as applicable), the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Bond Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be; (iii) there shall have been filed with the Bond Trustee and POAH (x) a verification report of a firm of certified public accountants, acceptable to POAH, confirming the arithmetical accuracy of the computations showing the cash or Defeasance Obligations, the principal of and interest on which when due, together with cash, if any, deposited at the same time will be sufficient to pay when due, the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, on and prior to the redemption date or maturity date thereof, as the case may be and (y) an Opinion of Counsel, acceptable to POAH, to the effect that upon provision for the payment of the principal or Redemption Price, if applicable, of, and interest due or to become due on such Bonds, the pledge of any moneys and securities hereunder and the grant of all rights to the registered owners of such Bonds hereunder shall be discharged and satisfied; and (iv) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, POAH shall have given the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable instructions to mail, as soon as practicable, a notice to the registered owners of such Bonds that the deposit required by (ii) above has been made with the Bond Trustee and that such Bonds are deemed to have been paid in accordance with this Section 10.03 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds. Neither Defeasance Obligations deposited with the Bond Trustee pursuant to this Section 10.03 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than the payment of the principal or Redemption Price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Bond Trustee, if not then needed for such purpose, may, to the extent practicable and upon the written direction of POAH, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on such Bonds on and prior to such redemption date or Maturity Date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to POAH to be used by it in any lawful manner in furtherance of its "exempt purpose" as defined in Section 501(c)(3) of the Code, provided all amounts owing to the Bond Trustee have been satisfied, free and clear of any trust, lien or pledge. Nothing in this paragraph (b) shall be, or be deemed to be, a restriction on POAH's ability to provide for Defeasance Obligation substitutions or restructuring provided that the Defeasance Obligations shall at all times be in compliance with clause (ii) above, as evidenced by a verification report of a firm of certified public accountants in compliance with clause (iii)(x) above. Notwithstanding any provision of this Bond Indenture, the Bond Trustee shall have no right of set-off against any moneys and securities deposited under this subsection (b).

(c) Anything in this Bond Indenture to the contrary notwithstanding, any moneys held by the Bond Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when all of the Bonds have become due and payable either at their stated Maturity Date or by a call for earlier redemption, if such moneys were held by the Bond Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Bond Trustee after such date when all of the Bonds become due and payable, shall, at the written request of POAH and subject to applicable escheat laws be repaid by the Bond Trustee to POAH as its absolute property and free from trust (to the extent permitted by law) to be used by POAH in any lawful manner in furtherance of its "exempt purpose" as defined in Section 501(c)(3) of the Code, and POAH and the Bond Trustee shall thereupon be released and discharged of their obligations with respect to the Bonds; provided, however, that, before being required to make any such payment to POAH, the Bond Trustee shall mail to the Bondholders a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than forty (40) nor more than ninety (90) days after the date of mailing of such notice, the balance of such moneys then unclaimed shall be returned to POAH to be used by POAH in any lawful manner in furtherance of its "exempt purpose" as defined in Section 501(c)(3) of the Code.

Section 10.04. Payment of Bonds after Discharge. Notwithstanding the discharge of the lien hereof as in this Article X provided, the Bond Trustee shall nevertheless retain such rights, indemnities, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein.

Section 10.05. Notice to Rating Agencies. Upon the written request of POAH, the Bond Trustee shall give Notice by Mail or electronic means of any discharge pursuant to this Article X to each Rating Agency then rating the Bonds, which shall be specified in such written request or notice from POAH; provided that failure to provide such Notice shall not affect the sufficiency of the proceedings for such discharge. The Bond Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any person for any failure to comply therewith.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Evidence of Acts of Bondholders. Any request, direction, consent or other instrument provided hereby to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Bond Trustee and POAH, with regard to any action taken by them, or either of them, under such request or other instrument.

The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, including, but not limited to, acknowledgement by a notary public, or by the affidavit of a witness of such execution; and the ownership of all Bonds shall be proved by the register of such Bonds maintained by the Bond Trustee.

Nothing in this Section 11.01 shall be construed as limiting the Bond Trustee to the proof herein specified, it being intended that the Bond Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. In addition, the assignment of ownership of a Bond shall be accompanied by a signature guaranty to the satisfaction of the Bond Trustee.

Any action taken or suffered by the Bond Trustee pursuant to any provision hereof, upon the request or with the assent of any Person who at the time is the Holder of any Bond or Bonds shall be conclusive and binding upon all future Holders of the same Bond or Bonds.

Whenever in this Bond Indenture either POAH or the Bond Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Bond Indenture contained by or on behalf of POAH or the Bond Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and provisions herein contained; this Bond Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, and the Holders of the Bonds as herein provided.

Section 11.03. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged. POAH hereby declares that it would have entered into this Bond Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Bond Indenture may be held illegal, invalid or unenforceable.

Section 11.04. Action Not on Business Day. Except as otherwise specifically provided in this Bond Indenture, if any date specified for the payment of any principal of, Redemption Price, if any, or interest on any Bond or the performance of any act falls on a day which is not a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date. In the case of the payment of the principal of, Redemption Price, if any, or the interest on any Bond which shall be due on a day which is not a Business Day, and such payment is made on the next succeeding Business Day, no additional interest shall accrue as a result of such delayed payment. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 11.05. Governing Law; Venue. This Bond Indenture and the Bonds are contracts made under the laws of the State and shall be governed and construed in accordance with such laws. This Bond Indenture shall be enforceable in the State, and any action arising out of this Bond Indenture shall be filed and maintained in a court in Suffolk County, Massachusetts unless POAH waives this requirement.

Section 11.06. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given: (i) if hand delivered or delivered by courier, when delivered to the appropriate notice address; (ii) if mailed by first class mail, postage prepaid, three Business Days after deposit in the United States mail addressed to the appropriate notice address; or (iii) as between the Bond Trustee and POAH, if sent in portable document format to the appropriate email address and subsequently delivered by hand delivery, courier or first class mail within a reasonable amount of time thereafter (though such delivery by hand delivery, courier or first class mail, if sent pursuant to this subsection (iii), shall not be required in order for such notices, certificates or other communications hereunder to be deemed sufficiently given). The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

(i) If to the Bond Trustee, addressed to:

Wilmington Trust, National Association
Global Capital Markets
280 Congress Street, Suite 1300
Boston, MA 02210
Attn: Deborah Daniello
Telephone: (617) 447-2020
Facsimile: (617) 457-2001

(ii) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the registration books of the Bond Trustee kept pursuant hereto.

(iii) If to POAH, addressed to:

Preservation of Affordable Housing, Inc.
2 Oliver Street, Suite 500
Boston, MA 02109
Attention: Managing Director, Chief Financial Officer
With copies to: cfo@poah.org and generalcounsel@poah.org

Section 11.07. Waiver of Notice. Whenever in this Bond Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are owned or held by or for the account of POAH or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, POAH shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that the Bond Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of POAH or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, POAH unless POAH is the registered owner of such Bond and provides the Bond Trustee written notice thereof. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.08 if the pledgee shall certify in writing to the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, POAH. In case of a dispute as to such right, any decision by the Bond Trustee taken in reliance upon such a pledgee's written certificate that is reasonably believed by the Bond Trustee to be bona fide or taken upon the advice of counsel shall be full protection to the Bond Trustee. After receipt of written notice from POAH as provided in the first sentence of this Section 11.08 and upon written request from POAH, POAH shall designate those Bonds disqualified pursuant to the terms of this Section 11.08.

Section 11.09. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest or principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.02.

Section 11.10. Funds and Accounts. Any Fund or Account required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee, either as a Fund or an Account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a Fund or as an Account; but all such records with respect to all such Funds or Accounts shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.11. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Bond Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 11.12. Complete Agreement. This Bond Indenture represents the complete agreement between the parties with respect to the Bonds and related matters.

Section 11.13. Counterparts. This Bond Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument. The exchange of copies of this Bond Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Bond Indenture as to the parties hereto and may be used in lieu of the original Bond Indenture and signature pages for all purposes.

Section 11.14. Immunity of Individuals; No Recourse to Certain POAH Assets. No recourse shall be had for the payment of the principal of, Redemption Price, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future trustee, director, officer, employee, agent or consultant of POAH, whether directly or indirectly, and all such liability of any such individual as such is hereby expressly waived and released by the Bond Trustee and each Holder, as evidenced by the execution hereof by the Bond Trustee and the acceptance by such Holder of a Bond, in each case on behalf of itself and all successors in interest, as a condition of and in consideration for the execution hereof and the issuance of the Bonds hereunder by POAH. By virtue of this Bond Indenture and the issuance of its Bonds, including the Series 2022 Bonds, POAH has made no grant or pledge of, or created any lien on or provided any security interest in, any property or other assets of POAH, whether now owned or acquired in the future, other than the pledge hereunder of the amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

Section 11.15. OFAC Compliance. POAH covenants and represents that neither they nor any of their affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC")), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "Sanctions"). POAH further covenants and represents that neither they nor any of their affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Bond Indenture, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

Section 11.01. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

IN WITNESS WHEREOF, Preservation of Affordable Housing, Inc. has caused these presents to be signed in its name and on its behalf by its duly authorized officer, and to evidence its acceptance of the trusts hereby created the Bond Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

PRESERVATION OF AFFORDABLE HOUSING, INC.

By: ____

Name: Randy J. Parker
Title: Managing Director, Chief Financial Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: ____

Name: Deborah M. Daniello
Title: Vice President

<u>EXHIBIT A</u>

(Form of Bond)

PRESERVATION OF AFFORDABLE HOUSING, INC.
Taxable Bonds, Series 2022 (Sustainability Bonds)

No. R-1 $75,000,000

INTEREST RATE: 4.479%

DATED DATE: April 20, 2022

MATURITY DATE: December 1, 2032

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: $75,000,000

CUSIP: _________

FOR VALUE RECEIVED, Preservation of Affordable Housing, Inc. ("POAH"), a not-for-profit corporation organized and existing under the laws of the State of Illinois, hereby acknowledges itself obligated to, and promises to pay to, the Registered Owner stated above, or registered assigns, on the Maturity Date stated above, the Principal Sum stated above, and to pay interest on the unpaid balance of said Principal Sum from the Dated Date stated above at the Interest Rate stated above per annum, payable on December 1, 2022 and semiannually thereafter on June 1 and December 1 in each year until maturity, as provided in the Bond Indenture, dated as of April 1, 2022, as amended and supplemented (the "Bond Indenture"), by and between POAH and the Bond Trustee thereunder.

Subject to the provisions of the Bond Indenture relating to Book-Entry Bonds held by DTC, interest accruing on this bond on and prior to the Maturity Date hereof shall be payable by check drawn upon Wilmington Trust, National Association, as Bond Trustee, and mailed to the registered Holder hereof as of the Record Date (each May 15 and November 15) at the address of such Holder as it appears on the books of the Bond Trustee on the date such interest comes due or by electronic or wire transfer to the Holder of at least $1,000,000 aggregate principal amount of Bonds to the address designated by written notice by such Holder to the Bond Trustee not less than fifteen (15) days prior to the Record Date for such payment, containing the electronic transfer instructions required by the Bond Indenture. Subject to the provisions of the Bond Indenture relating to Book-Entry Bonds held by DTC, principal and redemption price, if any, shall be paid by check or draft when due upon presentation and surrender of this bond for payment at the corporate trust office of the Bond Trustee or such other places designated by the Bond Trustee.

This bond is one of an issue of Bonds in the aggregate principal amount of $75,000,000 authorized and issued to provide funds to aid in the financing or refinancing of the cost of certain projects and other lawful corporate purposes of POAH, all pursuant to the Bond Indenture. This bond and all Bonds issued under the Bond Indenture are unsecured general obligations of POAH and are payable from any general funds of POAH and any funds provided therefor under the Bond Indenture; subject, however, to the express limitations upon sources of payment therefor provided by the Bond Indenture. Reference is hereby made to the Bond Indenture as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of POAH, the Bond Trustee, and the holders of the Bonds, including without limitation the definitions of certain terms used but not defined herein and the terms upon which Additional Bonds may be issued. Executed counterparts or certified copies of such instruments are on file at the corporate trust office of the Bond Trustee at 280 Congress Street, Suite 1300, Boston, MA 02210, or such other place or places designated by the Bond Trustee.

Bonds of this issue are subject to optional redemption and purchase in lieu of optional redemption prior to their stated Maturity Date as provided in the Bond Indenture.

The Holder of this bond shall have no right to enforce the provisions of the Bond Indenture or to institute an action in equity or at law to enforce the covenants thereof, or to take any action with respect to a default thereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture.

Modifications or amendments of the Bond Indenture may be made only to the extent and in the circumstances permitted by the Bond Indenture.

This bond must be registered in accordance with the provisions hereof, and may, singly or with other Bonds of this issue, be surrendered to the Bond Trustee and exchanged for other fully registered Bonds, upon the terms set forth in the Bond Indenture. Neither POAH nor the Bond Trustee shall be required to (i) register or transfer this bond or exchange other Bonds for this bond within fifteen (15) days immediately preceding any Bond Payment Date or (ii) transfer or exchange any Bond which has been or is being called for redemption in whole or in part.

It is hereby further certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, Preservation of Affordable Housing, Inc. has caused this bond to be executed and attested by the manual or facsimile signature of a POAH Representative, and by the manual or facsimile signature of its Secretary or Assistant Secretary; and this bond to be authenticated by the manual signature of an authorized signatory of the Bond Trustee, without which authentication this bond shall not be valid nor entitled to the benefits of the Bond Indenture, all as of the Dated Date stated above.

PRESERVATION OF AFFORDABLE HOUSING, INC.

By: ________________________________
Name: _________________________
Title: _________________________

ATTEST:

By: ________________________________
Name:
Title: Secretary

CERTIFICATE OF AUTHENTICATION

The undersigned hereby certifies that this is one of the Bonds described in the within-mentioned Bond Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Bond Trustee

By ____
Authorized Signatory

Date of Authentication: ________________

Assignment

For value received the undersigned do(es) hereby sell, assign and transfer unto

____

(print or type name, address, taxpayer identification no. and zip code of assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) ____________________________ attorney, to transfer the same on the books of the Bond Trustee with full power of substitution in the premises.

Dated: _________________

____

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this bond in every particular, without any alteration or change whatsoever.

Signature Guaranteed By: _______________________

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL TO PRESERVATION OF AFFORDABLE HOUSING, INC.

[Date of Closing]

Morgan Stanley & Co. LLC,
as Underwriter
1585 Broadway, 24th Floor
New York, NY 10016

Preservation of Affordable Housing, Inc.
2 Oliver Street, Suite 500
Boston, MA 02109

Wilmington Trust, National Association
280 Congress Street, Suite 1300
Boston, MA 02210

As bond counsel to Preservation of Affordable Housing, Inc. (the "Borrower"), we are furnishing this opinion in connection with the issuance by the Borrower of $75,000,000 Preservation of Affordable Housing, Inc. Taxable Bonds, Series 2022 (Sustainability Bonds) (the "Bonds"). All references in this opinion to defined terms shall mean the terms as defined in the Bond Indenture dated as of April 1, 2022 (the "Indenture") between the Borrower and Wilmington Trust, National Association, as trustee (the "Trustee").

We have reviewed and relied upon the provisions of an executed copy of each of the following documents:

1. Bonds.

2. Indenture.

3. Purchase Contract dated April 12, 2022 (together with the Bonds and the Indenture, the "Bond Documents") between the Borrower and Morgan Stanley & Co. LLC, as Underwriter of the Bonds (the "Underwriter").

We have also examined such public records and other documents and materials, including, among others, a determination letter or a reaffirmation letter from the Internal Revenue Service that the Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), and made such investigation and such examination of law as we have deemed necessary under the circumstances in connection with this opinion, including review of certain documents and other records of the Borrower. We have also relied on certificates of public officials and, as to factual matters material to our opinion, upon representations contained in the Bond Documents and in certificates and other due inquiries of appropriate officers and other representatives of the Borrower.

We have assumed the genuineness of all signatures (other than signatures of the Borrower), the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. For purposes of this opinion, we have assumed that the Bond Documents constitute valid and binding obligations of the parties thereto other than the Borrower.

The opinions herein are limited to matters of law solely on applicable provisions of the following laws as currently in effect: (a) the federal laws of the United States of America; (b) the laws of the State of Illinois; and (c) the laws of The Commonwealth of Massachusetts; provided, however, that the opinions expressed herein are based upon a review of those laws, statutes and regulations that, in our experience, are generally recognized as applicable to the transactions contemplated in the Bond Documents, and in any event, the laws described in clauses (a), (b) and (c) above shall not include (and we express no opinion as to): (i) except for the opinion in paragraph 5 below, local or state laws governing licenses, permits or approvals necessary for the conduct of the Borrower's business; (ii) the compliance of the property of the Borrower with respect to any applicable zoning, land use, subdivision, environmental protection, hazardous waste cleanup, wetlands, handicapped access or other similar state or local laws and regulations; (iii) the Employee Retirement Income Security Act of 1974, as amended; (iv) any federal or state securities, antitrust, environmental, unfair competition or usury laws; (v) except for the opinion in paragraph 4 below, any tax laws or any rules or regulations with respect thereto; or (vi) any laws, regulations, executive orders or government programs designed to combat terrorism, money laundering or racketeering; and we express no opinions as to any other laws, statutes, rules or regulations not specifically identified above that are otherwise excluded in this opinion letter.

We express no opinion with respect to:

A. the effect of any provision of any Bond Document waiving any legal right to the extent that such waiver would violate public policy;

B. the effect of any provision of any Bond Document that purports to grant rights of set-off or similar rights (i) other than in accordance with applicable law; (ii) to the extent the secured party or other person is authorized to set off against funds on deposit in the Borrower's accounts that were accepted by the secured party or such other person with the intent to apply such funds to a preexisting claim rather than to hold the funds subject to withdrawals in the ordinary course; or (iii) to the extent that the funds on deposit in said accounts are in any manner special accounts, which by the express terms on which they are created, are made subject to the rights of a third party;

C. any person's title or rights to title to any assets;

D. the enforceability of any provision of the Bond Documents purporting to establish evidentiary standards;

E. the effect of any provision of any Bond Document to the extent that it provides for recourse or exercise of any remedial rights in the absence of notice and a hearing;

F. the grant of powers of attorney which is against public policy;

G. any exculpation or indemnification provisions contained in any Bond Document, insofar as the Trustee or the Underwriter are disabled from enforcement by matters internal to themselves, or to the extent that the exculpation or indemnification provisions therein are contrary to public policy;

H. the enforceability of any provision providing for the exclusive choice of venue or any submission to the exclusive jurisdiction of any court or courts;

I. the effect of Section 552 of the Bankruptcy Code (11 U.S.C. §552) (relating to property acquired by a debtor after the commencement of a case under the United States Bankruptcy Code with respect to such debtor) and Section 506(c) of the Bankruptcy Code (11 U.S.C. §506(c)) (relating to certain costs and expenses of a trustee in preserving or disposing of collateral); and

J. the collection of any quantum of legal fees upon or subsequent to a default.

Our opinions below are subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity.

When used in this opinion, the phrase "to our knowledge" or an equivalent phrase limits the statements it qualifies to the actual knowledge of the lawyers in this firm responsible for preparing this opinion after such inquiry as they deemed appropriate.

Based on the foregoing and subject to the additional qualifications set forth below, we are of the opinion that:

1. The Borrower is a not-for-profit corporation validly existing under the laws of the State of Illinois with full corporate power to execute and deliver the Bond Documents and to perform its obligations thereunder.

2. The Borrower has duly authorized, executed and delivered the Bond Documents, and the Bond Documents constitute its valid and binding obligations enforceable against the Borrower in accordance with their respective terms.

3. The execution and delivery by the Borrower of the Bond Documents do not, and the performance by the Borrower of its obligations thereunder will not, (i) violate Massachusetts law, (ii) violate any court order, judgment or decree applicable to it and known to us, (iii) result in a breach of or constitute a default under any material agreement, note or other obligation or instrument to which it is a party and known to us, or (iv) violate its charter or bylaws.

4. The Borrower is an organization described in Section 501(c)(3) of the Code, and as such has been determined by the Internal Revenue Service to be exempt from federal income taxation under Section 501(a) of the Code or a predecessor provision, with the exception of taxation of any income deemed to be unrelated business taxable income and any amounts deemed taxable by virtue of Section 511 of the Code.

5. To our knowledge, no consent, approval, license, permit, approval or exemption by, order or authorization of, or filing, recording or registration with, any governmental authority is required to be obtained or made by the Borrower prior to the date hereof in connection with the Borrower's performance of its payment obligations pursuant to the Bond Documents other than those that have been obtained or made, except that we express no opinion as to zoning or environmental matters, or as to application for or approvals of building, operating and other permits and approvals required for operation of the projects to be financed by the Bonds or as may be required under federal or state securities or blue sky laws.

In addition to the forgoing opinions, we inform you that, to our knowledge, without having made independent investigation, no action, suit or proceeding to which the Borrower is a party is pending or is overtly threatened in writing against the Borrower that challenges the validity or enforceability of or seeks to enjoin the performance of the Bond Documents.

This opinion speaks only as of its date, and we undertake no obligation to update it for any subsequent events or legal developments. This opinion is being furnished only to you for use solely in connection with the transaction described above and may not be relied on without our prior written consent for any other purpose or by anyone else.

LOCKE LORD LLP

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APPENDIX E

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither POAH nor the Underwriter take any responsibility for the accuracy thereof. NEITHER POAH NOR THE UNDERWRITER ASSUMES ANY RESPONSIBILITY FOR THIS SECTION.

AS LONG AS CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE, IS THE OWNER OF THE BONDS, REFERENCES HEREIN TO "OWNERS" OF THE BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

THE BENEFICIAL OWNERS WILL NOT RECEIVE BONDS REPRESENTING THEIR BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS.

General

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the amount of the principal amount of the Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase; Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as defaults, and proposed amendment to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to POAH as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, Make-Whole Redemption Price and interest on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from POAH or the Bond Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Bond Trustee or POAH, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Make-Whole Redemption Price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is not the responsibility of POAH or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to POAH and the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, such Bond certificates are required to be printed and delivered. POAH, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if POAH determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Bond Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by POAH or restricted registration is no longer in effect, Bond certificates will be delivered. See "Certificated Bonds" below.

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such person, to be forwarded in writing by such Participant and to have notification made of all interest payments.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Bond Trustee to DTC only.

For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

POAH and the Bond Trustee cannot and do not give any assurances that DTC will distribute to Participants, or that Participants or others will distribute payments of principal or interest with respect to the Bonds paid to DTC or its nominee as the registered owner or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Offering Memorandum. POAH and the Bond Trustee are not responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto. Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Bond Trustee to DTC and DTC will credit such distributions to the accounts of the Beneficial Owners either directly or indirectly through Participants. POAH and the Bond Trustee shall be entitled to treat Cede & Co. (or any Bondholder in whose name the Bonds are subsequently registered) as the Bondholder for all purposes of the Bond Indenture and any applicable laws, notwithstanding any notice to the contrary received by any such party; and POAH and the Bond Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any Beneficial Owners of the Bonds.

NONE OF POAH, THE UNDERWRITER OR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE BOND INDENTURE; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR MAKE-WHOLE REDEMPTION PRICE, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (VI) ANY OTHER MATTER.

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APPENDIX F

FRAMEWORK OVERVIEW AND SECOND OPINION BY S&P GLOBAL RATINGS

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S&P Global Ratings

Sustainable1

Second Party Opinion

Preservation Of Affordable Housing Inc.'s $75 Million Taxable Bonds Series 2022 (Sustainability Bonds)

March 25, 2022

PRIMARY ANALYST

Dimitri Henry
New York
+1212-438-1032
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Preservation of Affordable Housing Inc. (POAH) is a nonprofit organization that preserves, creates, and sustains affordable rental homes for low- and moderate-income families, seniors, and individuals. POAH is one of the largest affordable housing developers and owners in the U.S. with a presence in the Northeast, Mid-Atlantic, Southeast, and Midwest. Since its founding, POAH has acquired and developed a portfolio of 12,276 affordable rental apartments, serving just under 21,000 residents across 57 cities in 11 states and the District of Columbia.

POAH plans to issue $75 million of taxable bonds Series 2022 (Sustainability Bonds) with a 2032 maturity. It will use the net proceeds from this issuance to refinance a portion of its existing debt, which it used to finance various affordable housing projects, as well as to finance additional mission-aligned projects that promote affordable housing.

In our view, POAH's Series 2022 bonds, issued March 28, 2022, are aligned with:

- ✔ Social Bond Principles, ICMA, 2021
- ✔ Green Bond Principles, ICMA, 2021
- ✔ Sustainability Bond Guidelines, ICMA, 2021

Issuer's Sustainability Objectives

POAH's mission is to preserve, create, and sustain affordable, healthy homes that support economic security, racial equity, and access to opportunity for all. It achieves its mission by partnering with various private and public stakeholders to build and operate affordable housing projects offering deeply discounted rents that it preserves for the long-term. POAH's affordable units are generally targeted toward very low-income residents, with an average household income of 23% of area median income (AMI) across all of the organization's properties. In addition to providing stable affordable housing, POAH has dedicated staff to provide residents with personal financial coaching and programs to promote employment, health, education, and community engagement.

Additionally, POAH focuses on ensuring its affordable housing communities are environmentally sustainable and energy efficient. This commitment includes reducing energy and water usage to save money for its residents and improve the financial viability of its properties, as well as improving the sustainability of its facilities to reduce the disproportionate harm that climate change is having on low-income individuals and their communities. POAH prioritizes sustainability and energy efficiency in the design of its new construction and major renovation projects through its Basis of Design, which is an open-source design guideline that incorporates various environmental standards. Since 2010, POAH has implemented more than 340 discrete water and energy projects across its portfolio. In total, these projects have cut the organization's annual CO_2 emissions by more than 10 million pounds, enabled it to conserve over 100 million gallons of water each year, and reduced its annual energy usage by over 60 million kilo-Btus (kBtus), which--combined--provide it with more than $2.5 million in savings on its annual utility expenses.

Second Party Opinion Summary

Use of proceeds

Alignment ✓ POAH's Series 2022 is aligned with this component of the Principles.

Score Not aligned | Satisfactory | **Strong** | Advanced

POAH will use the net proceeds from the issuance to refinance a portion of its existing debt, which it used to finance various affordable housing projects, as well as to finance additional mission-aligned projects that promote affordable housing. POAH also outlines several key sustainability initiatives that meet various social and green eligible project categories in the Principles.

Process for project evaluation and selection

Alignment ✓ POAH's Series 2022 is aligned with this component of the Principles.

Score Not aligned | Aligned | Strong | **Advanced**

POAH clearly communicates its process for project evaluation and selection. This involves vetting projects for mission alignment, racial equity, and affordability, among other attributes. POAH has processes by which it identifies and manages the environmental and social risks for its eligible projects. Additionally, POAH identifies the internal bodies responsible for its project selection process, which includes a board-designated Investment and Development Committee.

Management of proceeds

Alignment ✓ POAH's Series 2022 is aligned with this component of the Principles.

The Series 2022 bonds include provisions that require the proceeds to be placed in separate accounts to avoid the commingling of funds. Undisbursed funds will be temporarily held in an interest-bearing account and all funds will be tracked annually.

Reporting

Alignment ✓ POAH's Series 2022 is aligned with this component of the Principles.

Score Not aligned | Aligned | **Strong** | Advanced

POAH commits to reporting on the allocation of the net proceeds from the transaction until full disbursement. It also commits to disclosing some actual and expected environmental and social metrics, both qualitative and quantitative, annually until the funds are fully allocated.

Transaction Assessment

Use of proceeds

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For use of proceeds, we consider the commitments and clarity on how the proceeds are used.

✔ POAH's Series 2022 is aligned with this component of the Principles.

Commitments score

Not aligned	Satisfactory	**Strong**	Advanced

We consider POAH's overall use of proceed commitments to be strong.

The Preliminary Offering Memorandum (POM) clearly details that POAH will use the proceeds exclusively for eligible sustainability projects. Specifically, the organization will use the net proceeds from the issuance to refinance debt it used to finance various affordable housing projects ($53.5 million), refinance three loans it used for acquisition and development activities related to affordable housing projects ($14.7 million), fund other mission-aligned projects to promote affordable housing ($5.8 million), and cover transaction costs ($1 million). The POM clearly communicates the proportion of its refinanced debt that it will allocate the net proceeds to, which we view as a strong practice. POAH has also identified 12 projects that it intends to refinance with the bond proceeds. The acquisition dates for these projects range from 2005-2020. POAH intends to refinance some of its older housing stock to recapitalize and invest in project upgrades, including adding new sustainable technologies to its projects, such as by retrofitting water systems and renewable energy sources like solar thermal collectors.

We believe POAH's projects span the social themes of affordable housing and socioeconomic advancement and empowerment, which are two categories identified by the Social Bond Principles. This is demonstrated by the deeply discounted rents POAH maintains, with an average AMI of 23% for residents across all of its properties, as well as the socioeconomic benefits that its residents have access to through the organization's financial coaching, employment, health, education, and community empowerment programs. We also believe that POAH's projects span the themes of energy efficiency and green buildings, which are two categories identified by the Green Bond Principles. This is demonstrated by POAH's commitment to finance projects with strong environmental standards and sustainable design features, such as products or systems that minimize water use and nonrenewable energy consumption.

Process for project evaluation and selection

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For our process for project selection and evaluation, we consider the commitments and clarity on the process used to evaluate and select eligible projects to fund with the proceeds of the sustainable finance instrument.

✔ POAH's Series 2022 is aligned with this component of the Principles.

Commitments score

Not aligned	Aligned	Strong	**Advanced**

We consider POAH's overall process for project selection and evaluation to be advanced.

The POM clearly describes the rigorous process POAH follows to determine how potential projects fit with its eligible project categories and its screening criteria include strict standards. These criteria include screening for projects that are consistent with POAH's mission, including projects that promote racial equity and economic security, as well as those that are affordable and socially viable, which it defines as projects that can become viable communities and support positive social outcomes for its residents. Additionally, POAH prioritizes sustainability and energy efficiency in the scoping and design for both its new construction and major renovation projects. POAH follows its Basis of Design, an open-source design guideline used by all POAH project managers, to ensure its projects meet certain environmental standards. These include Energy Star, Leadership in Energy and Environmental Design (LEED), Passive House US (PHIUS), and Enterprise Green Communities certifications, as well as ensuring that projects are fitted with energy- and water-efficient technologies, such as programmable thermostats, low-flow water fixtures, and LED lighting, among others.

POAH also has processes to identify and manage environmental and social risks for its eligible projects. Through a team of Community Impact Coordinators, POAH provides stable tenancy through rental assistance and budgeting help; helps residents maintain safe, clean, and healthy homes through one-to-one housekeeping support; promotes access to fresh and healthy foods through on-site food distribution programs; and provides on-site nursing services through local community partners and/or health workshops to support health management and overall wellbeing, among many other services. Additionally, POAH requires its projects to have strategies to identify, mitigate, and manage environmental risks stemming from climate change. For example, its Basis of Design includes a Generator and Resiliency Strategy section that requires projects to have back-up power in place and established resident and staff areas of refuge. POAH aggregates data on power outage vulnerabilities and capabilities for the properties it owns, including the frequency and causes of outages, and uses this data to risk-rate each property's vulnerabilities and prioritize its investments in power generation and other resiliency approaches.

Finally, the POM delineates a robust decision-making process, which includes POAH's Internal Investment Committee, the CEO, a board-designated Investment and Development Committee, the Senior Vice President of Acquisitions, and the Managing Director of Development. All transactions must be approved by the full board of directors. Moreover, the POM includes the qualifications of each board member, including their field of environmental, social, and governance (ESG) subject-matter expertise, such as renewable energy, green redevelopment, and urban sustainability, which we view as a best practice.

Management of proceeds

The Principles require disclosure of the issuer's management of proceeds from sustainable finance over the life of the funding. The alignment opinion focuses on how clear in the documentation is the issuer's commitment to ensure that the funds raised will remain dedicated to eligible sustainability projects throughout the life of the sustainable finance funding.

✔ POAH's Series 2022 is aligned with this component of the Principles.

The bond indenture clearly details the management of the proceeds from the Series 2022 issuance. POAH will deposit the proceeds in a segregated account where they will be held until disbursement. These funds are subject to a clear set of covenants that ensure the funds are allocated to their designated purposes, which we believe limits any potential leakage. Furthermore, unallocated proceeds will be temporarily held in an interest-bearing account and all funds will be tracked annually.

Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✔ POAH's Series 2022 is aligned with this component of the Principles.

Disclosure score	Not aligned	Aligned	**Strong**	Advanced

We consider POAH's overall reporting practices to be strong.

POAH commits to reporting on the allocation of the net proceeds from the transaction until full disbursement. This information will follow POAH's Form of Sustainability Bonds Annual Reporting guidelines found in the POM. As a nonprofit organization subject to federal regulations, POAH is also legally mandated to conduct annual financial audits, which include delineating the allocation of the proceeds from each series of bonds.

POAH commits to disclosing some actual and expected environmental and social metrics annually, until the funds are fully allocated, which we view as a strong practice. This will include both qualitative and quantitative metrics. However, we note that despite POAH's tracking of environmental metrics, such as the amount of CO2 emissions avoided, gallons of water saved, and kBtus of energy conserved at its projects, it has not committed to including these metrics in its annual reporting. The disclosure of additional impact metrics will continue per POAH's ongoing reporting requirements. While the documents do not stipulate a third-party verifier of its impact metrics, we note that these metrics are otherwise subject to audit by federal, state, and local governments, as well as mission-aligned third parties, as part of the associated Low Income Housing Tax Credits (LIHTC) and/or soft debt associated with a given development.

Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

We use the International Capital Market Association's (ICMA) SDG mapping for this part of the report. We acknowledge that ICMA's mapping does not provide an exhaustive list of SDGs and that ICMA recommends each project category be reviewed individually to map it to the relevant SDGs.

POAH's taxable bonds Series 2022 (Sustainability Bonds) are intended to contribute to the following SDGs:

Use of proceeds	SDGs		
Affordable Housing	**1. No poverty***	**11. Sustainable cities and communities***	
Socioeconomic Advancement	**1. No poverty***	**10. Reduced inequalities***	**11. Sustainable cities and communities***
Affordable Basic Infrastructure	**7. Affordable and clean energy***	**11. Sustainable cities and communities***	
Access to Essential Services	**1. No poverty***	**10. Reduced inequalities***	

Green Buildings	**11. Sustainable cities and communities***
Energy Efficiency	**7. Affordable and clean energy***
Climate Change Adaption	**1. No poverty***

*The eligible project categories link to these SDGs in the ICMA mapping.

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APPENDIX G

FORM OF SUSTAINABILITY BOND ANNUAL REPORTING

POAH expects to provide annual updates, as of the last day of each fiscal year commencing with calendar year 2022, regarding the disbursement of the Net Bond Proceeds used to finance affordable housing properties in the form displayed below:

Series 2022 Net Bond Proceeds[4]	$_____
Net Bond Proceeds Spent as of December 31, _____	$_____
Remaining Net Bond Proceeds	$_____

Project Name	Project Location	Total Units	LIHTC?	Population Served or % AMI	Environmental Attributes	Population Targeted (Services)	Series 2022 Sustainability Bonds Proceeds Disbursed ($) as of December 31, _____
							$_____

POAH also expects to provide annual update, as of the last day of each fiscal year commencing with calendar year 2022, on its owned real estate portfolio. This disclosure is expected to be provided in similar form as disclosed in "APPENDIX A—CERTAIN INFORMATION CONCERNING PRESERVATION OF AFFORDABLE HOUSING, INC.—Exhibit B—Owned Real Estate Portfolio as of December 31, 2021" attached hereto.

[4] Net Bond Proceeds shown as Total Bond Proceeds Net of Issuance expenses including Underwriter's Discount and Costs of Issuance

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PRESERVATION OF AFFORDABLE HOUSING, INC. • TAXABLE BONDS, SERIES 2022 (SUSTAINABILITY BONDS)

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