



Board Meeting Packet

April 2026

Interfaith Housing Alliance





Celebrating
35 Years
OF AFFORDABLE
HOUSING CREATION

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Agenda

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585 Himes Avenue

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IHA Board of Directors Meeting Agenda

Thursday, April 23, 2026, at 4:00 PM

Teams Meeting Check Meeting Invitation



Welcome - Consent Agenda Approval-**Voting**

Consent Agenda Items:

- Agenda
- Operational Reports
- Meeting Minutes March 2026



Board Business:

ALL DISCUSS

- | | |
|---|--------------|
| • Financial Reports & Forecasting | Chris & Anna |
| • Fund Development | Rachel |
| • USDA loss of contract with USDA | ALL |
| • IHA merging / affiliating with another nonprofit
to preserve mission (John Maneval join at 4:30) | ALL |
| • Oakwood exit strategy | ALL |
| • 585 Himes Ave JVA | ALL |

Next meeting: May 21, 2026, 4:00pm

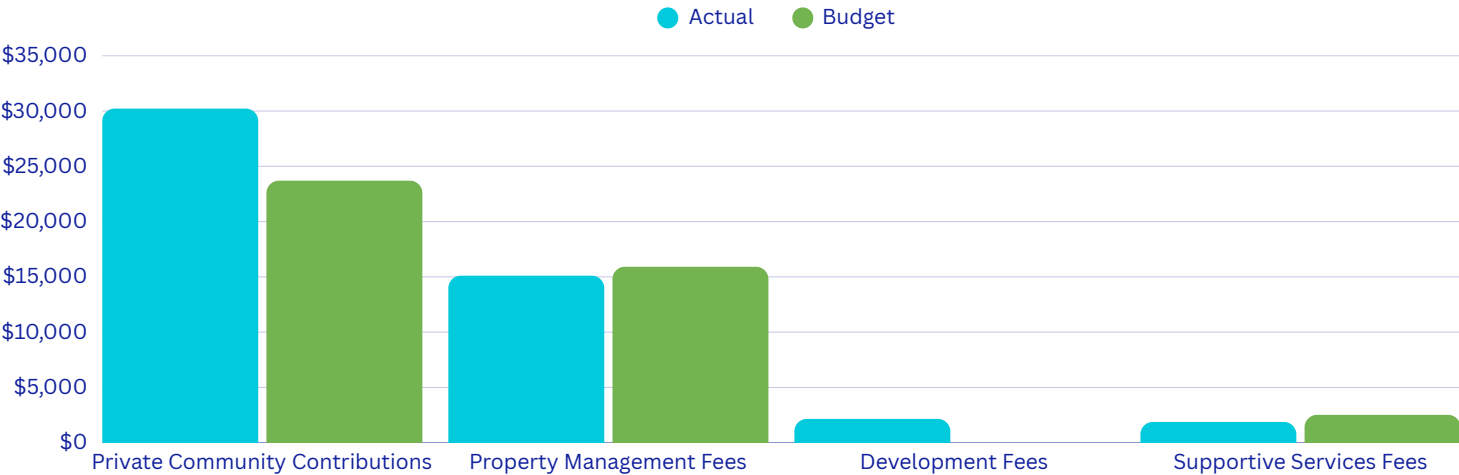
Statement of Financials

ASSETS	Current	Month Prior
Total Bank Accounts	\$98,096.19	\$80,810.41
Total Accounts Receivable	\$1,422,019.17	\$1,413,731.04
Total Current Assets	\$1,530,651.38	\$1,504,097.75
Total Fixed Assets	\$17,193.93	\$17,193.93
TOTAL ASSETS	\$1,535,371.31	\$1,508,817.68

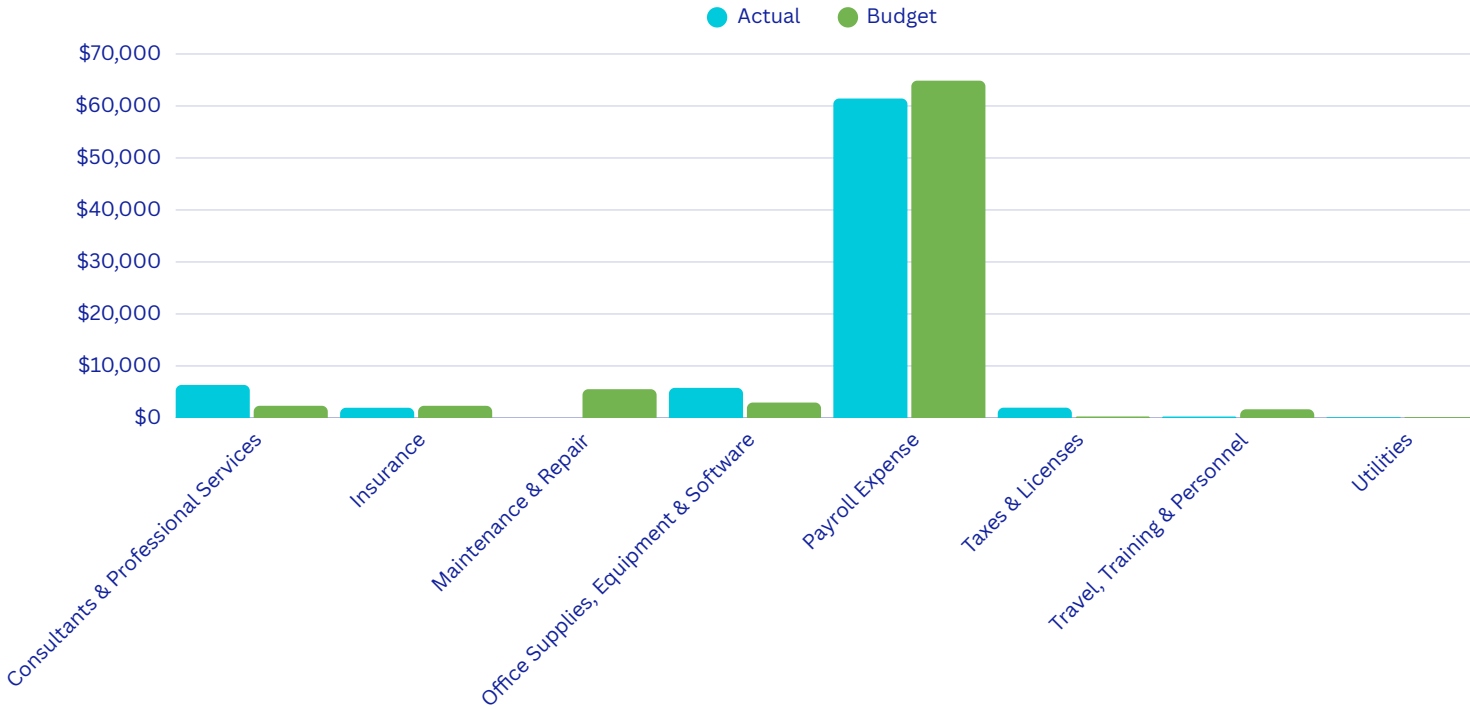
LIABILITIES & EQUITY	Current	Month Prior
Total Current Liabilities	\$443,446.97	\$436,764.63
Total Long-Term Liabilities	\$574,393.93	\$576,882.37
Total Equity	\$517,530.41	\$495,170.68
TOTAL LIABILITIES & EQUITY	\$1,535,371.31	\$1,508,817.68

Actual vs Budget Month to Date

Revenue



Expenses



Management Report

Interfaith Housing Alliance, Inc. For the
period ended March 31, 2026



Prepared by

Director of Finance

Prepared on

April 23, 2026

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Statement of Financial Position Management_COMP3

Statement of Activity YTD Comparison_updated COMP4

BudgetvActual FY20255

Cash Forecast.....7

Statement of Financial Position Comparison
Interfaith Housing Alliance, Inc.
As of Mar 31, 2026

	Total			Comments
	As of Mar 31, 2026	As of Feb 28, 2026	\$ Change (PP)	
Assets				
Current Assets				
Bank Accounts				
10101 IHA - Operating Checking *NEW	97,597.26	80,310.58	17,286.68	
10600 M&T PRP Grant Checking	498.93	499.83	(0.90)	
Total for Bank Accounts	98,096.19	80,810.41	17,285.78	
Accounts Receivable				
11000 Accounts Receivable (A/R)	-	-	-	
11200 Accounts Receivable (A/R)-Govt Grant (USDA/N Odenton)	7,094.01	4,907.25	2,186.76	
11300 Accounts Receivable (A/R)-Other	6,000.00	16,000.00	(10,000.00)	
11400 Accounts Receivable (A/R)- Supportive Services Conifer	6,990.89	6,179.78	811.11	
11450 Accounts Receivable Molly Pitcher Landing/Personal CC Reimb	1.58	1.58	-	
11600 Accounts Receivable (A/R)-Intercompany Due	72,192.23	56,901.97	15,290.26	3 p/r
11725 Note Receivable N Odenton Assoc LLC (Weinberg)	829,750.00	829,750.00	-	
11800 Hampstead Partnership Loan	500,000.00	500,000.00	-	
11900 Accounts Receivable- PRP	(9.54)	(9.54)	-	
Total for 11000 Accounts Receivable (A/R)	1,422,019.17	1,413,731.04	8,288.13	
Total for Accounts Receivable	1,422,019.17	1,413,731.04	8,288.13	
Other Current Assets				
10400 Endowment Investment Account	(396,620.96)	(396,620.96)	-	
10450 Unrealized gain/loss	396,620.96	396,620.96	-	
Total for 10400 Endowment Investment Account	-	-	-	
13000 Prepaid Expenses	720.25	1,080.25	(360.00)	
13100 Prepaid Insurance Expense	9,275.96	7,936.24	1,339.72	
Total for 13000 Prepaid Expenses	9,996.21	9,016.49	979.72	
14200 Security Deposits Paid	539.81	539.81	-	
Total for Other Current Assets	10,536.02	9,556.30	979.72	
Total for Current Assets	1,530,651.38	1,504,097.75	26,553.63	
Fixed Assets				
15000 Fixed Assets				
15200 Machinery & Equipment	17,193.93	17,193.93	-	
Total for 15000 Fixed Assets	17,193.93	17,193.93	-	
16000 Accumulated Depreciation				
16200 Accum. Dep. Mach. & Equipment	(12,474.00)	(12,474.00)	-	
Total for 16000 Accumulated Depreciation	(12,474.00)	(12,474.00)	-	
Total for Fixed Assets	4,719.93	4,719.93	-	
Other Assets				
Total for Assets	1,535,371.31	1,508,817.68	26,553.63	
Liabilities and Equity				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 Accounts Payable (A/P)	419.00	-	419.00	
Total for Accounts Payable	419.00	-	419.00	
Credit Cards				
10850 MandT Credit Card NEW	8,206.85	4,318.13	3,888.72	
Total for Credit Cards	8,206.85	4,318.13	3,888.72	
Other Current Liabilities				
20200 Health Insurance Payable	3,395.47	2,696.47	699.00	
20300 HSA Payable	365.38	-	365.38	
20400 Retirement Payable	1,310.24	-	1,310.24	
20500 Payroll Tax Payable	0.03	0.03	-	
23025 Deferred Grant N. Odenton (Weinberg)	429,750.00	429,750.00	-	
Total for Other Current Liabilities	434,821.12	432,446.50	2,374.62	
Total for Current Liabilities	443,446.97	436,764.63	6,682.34	
Long-term Liabilities				
24000 Mortgages & Notes Payable				
24450 M&T Bank Loan	22,960.68	25,449.12	(2,488.44)	
24900 Hampstead Ptr Loan	500,000.00	500,000.00	-	
Total for 24000 Mortgages & Notes Payable	522,960.68	525,449.12	(2,488.44)	
24660 M&T LOC	51,433.25	51,433.25	-	
Total for Long-term Liabilities	574,393.93	576,882.37	(2,488.44)	
Total for Liabilities	1,017,840.90	1,013,647.00	4,193.90	
Equity				
33000 Retained Earnings	798,132.74	798,132.74	-	
Net Income	(49,227.78)	(71,587.51)	22,359.73	
30000 Opening Balance Equity	(287,965.38)	(287,965.38)	-	
32000 General Equity	49,316.99	49,316.99	-	
34000 Donor Restricted Net Assets	7,273.84	7,273.84	-	
Total for Equity	517,530.41	495,170.68	22,359.73	
Total for Liabilities and Equity	1,535,371.31	1,508,817.68	26,553.63	

Interfaith Housing Alliance, Inc.
Statement of Activity YTD Comparison
March 2026

	Total			Comments
	Mar 2026	Feb-26	Change	
Revenue				
41000 Government Grants	52,186.76	34,429.42	17,757.34	Heart grant
42000 Private Community Contributions			-	
42200 Civic Groups			-	
42300 Corporate Contributions			-	
42400 Individual Contributions	221.20	80.80	140.40	
42500 Private Foundation Grants	30,000.00		30,000.00	Ausherman mathcing grant
Total 42000 Private Community Contributions	30,221.20	80.80	30,140.40	
43000 Property Management Fees	15,107.05	15,452.59	(345.54)	
43100 Development Fees	2,151.00		2,151.00	Excess cash from Penn Ave audit
43200 Supportive Services Fees	1,876.95	1,494.24	382.71	
43300 FAHI Technical Assistance			-	
Total Revenue	101,542.96	51,457.05	50,085.91	
Gross Profit	101,542.96	51,457.05	50,085.91	
Expenditures				
51000 Accounting & Auditing		15,125.00	(15,125.00)	
52000 Advertising & Marketing	362.92	53.08	309.84	
54000 Bank/Credit Card Charges	157.81	196.96	(39.15)	
55000 Consultants & Professional Services			-	
55100 Business Consulting Services	5,710.00	1,433.45	4,276.55	first Oculus inv \$2.7k
55200 Professional Payroll processing services	637.08	638.56	(1.48)	
Total 55000 Consultants & Professional Services	6,347.08	2,072.01	4,275.07	
56000 Dues & subscriptions	419.00	800.00	(381.00)	
57000 Insurance			-	
57100 Director's and Officer's	685.09	685.09	-	
57200 Property and Liability	1,275.66	1,889.58	(613.92)	
57300 Workers Compensation			-	
Total 57000 Insurance	1,960.75	2,574.67	(613.92)	
58000 Interest Paid	389.71	440.47	(50.76)	
62000 Office Supplies, Equipment & Software	22.00	26.00	(4.00)	
62100 Computer Software purchases	3,811.57	1,143.32	2,668.25	Drop box renewal
62200 IT Computer Support	1,330.85	1,330.85	-	
62400 Office Supplies	624.00	472.01	151.99	
Total 62000 Office Supplies, Equipment & Software	5,788.42	2,972.18	2,816.24	
64000 Payroll Expense			-	
64100 Health Insurance Benefits	3,369.06	3,369.03	0.03	
64200 Payroll Taxes	4,287.14	3,691.99	595.15	
64300 Retirement Benefits	1,611.97	1,622.30	(10.33)	
64400 Salary	52,166.30	35,414.21	16,752.09	3 payrolls
Total 64000 Payroll Expense	61,434.47	44,097.53	17,336.94	
65000 Postage and Printing	18.88		18.88	
67000 Rent & Lease	665.18	665.18	-	
				PPT returns for properties in Dev &
69000 Taxes & Licenses	1,595.20		1,595.20	Const
69100 Other Taxes	381.75		381.75	
Total 69000 Taxes & Licenses	1,976.95	-	1,976.95	
70000 Travel, Training & Personnel	250.00		250.00	
70100 Meals	22.92		22.92	
70300 Training expense		357.94	(357.94)	
70500 Personnel Recruitment			-	
Total 70000 Travel, Training & Personnel	272.92	357.94	(85.02)	
72000 Utilities			-	
72600 Telephone	146.14	146.10	0.04	
Total 72000 Utilities	146.14	146.10	0.04	
75000 Public Aide and Advocacy (Properties)			-	
Total Expenditures	79,940.23	69,501.12	10,439.11	
Net Operating Revenue	21,602.73	(18,044.07)	39,646.80	
Other Revenue				
48200 Interest Earned		0.07	(0.07)	
Total Other Revenue	-	0.07	(0.07)	
Net Other Revenue	-	0.07	(0.07)	
Net Revenue	21,602.73	(18,044.00)	39,646.73	

Interfaith Housing Alliance, Inc.
Budget vs. Actuals: IHA Budget FY2026 - FY26 P&L
July 2025 - March 2026

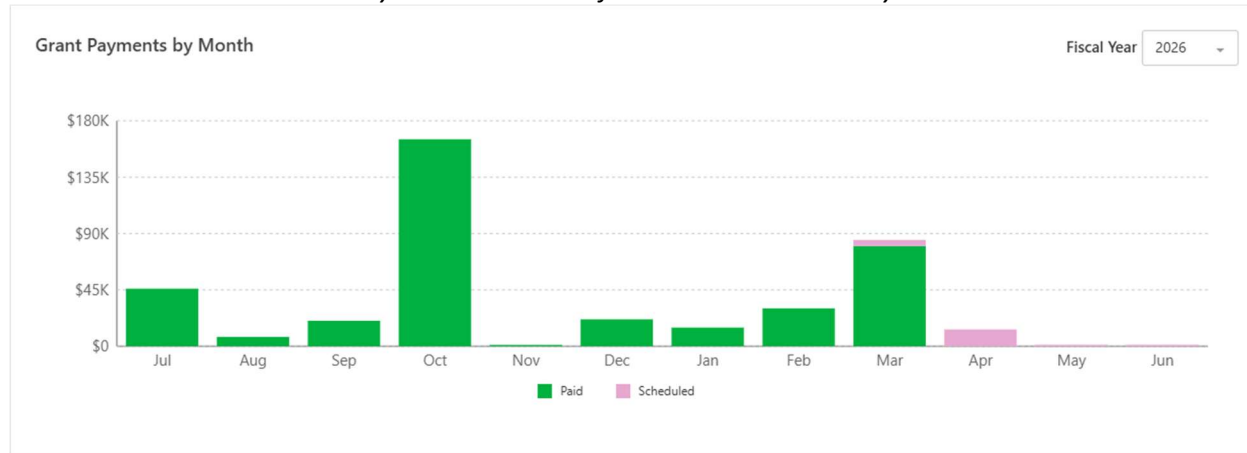
	MTD			YTD			Comments
	Actual	Budget	over Budget	Actual	Budget	over Budget	
Revenue							
41000 Government Grants	52,186.76	14,946.08	37,240.68	151,123.89	134,514.75	16,609.14	Heart Grant / PRP
42000 Private Community Contributions	-	-	-	-	-	-	
42100 Church Contributions	-	-	-	-	-	-	
42200 Civic Groups	-	-	-	1,500.00	-	1,500.00	
42300 Corporate Contributions	-	15,049.00	(20,109.46)	171,500.00	135,441.00	36,059.00	
42400 Individual Contributions	221.20	3,269.08	(4,475.84)	46,878.00	29,421.75	17,456.25	
42500 Private Foundation Grants	30,000.00	5,382.33	18,316.50	51,323.80	48,441.00	2,882.80	Ausherman Matching Grant
Total 42000 Private Community Contributions	30,221.20	23,700.42	(6,268.80)	271,201.80	213,303.75	57,898.05	
43000 Property Management Fees	15,107.05	15,915.05	(808.00)	164,787.76	143,235.45	21,552.31	
43100 Development Fees	2,151.00	-	2,151.00	7,551.00	-	7,551.00	Excess cash from Penn Ave audit
43200 Supportive Services Fees	1,876.95	2,517.32	(640.37)	17,209.05	22,655.88	(5,446.83)	
43300 FAHI Technical Assistance	-	-	-	20,182.22	-	20,182.22	
Total Revenue	101,542.96	57,078.87	29,523.51	632,055.72	513,709.83	90,612.67	
Gross Profit	101,542.96	57,078.87	29,523.51	632,055.72	513,709.83	90,612.67	
Expenditures							
51000 Accounting & Auditing	-	4,738.16	(4,738.16)	47,000.00	42,643.44	4,356.56	
52000 Advertising & Marketing	362.92	625.94	(263.02)	1,206.25	5,633.46	(4,427.21)	
54000 Bank/Credit Card Charges	157.81	221.17	(63.36)	2,010.42	1,990.53	19.89	
55000 Consultants & Professional Services	-	-	-	-	-	-	
55100 Business Consulting Services	5,710.00	1,826.42	3,883.58	18,065.52	16,437.78	1,627.74	
55200 Professional Payroll processing services	637.08	511.59	125.49	5,032.38	4,604.31	428.07	
Total 55000 Consultants & Professional Services	6,347.08	2,338.01	4,009.07	23,097.90	21,042.09	2,055.81	
56000 Dues & subscriptions	419.00	177.88	241.12	1,994.14	1,600.92	393.22	
57000 Insurance	-	-	-	(69.00)	-	(69.00)	
57100 Director's and Officer's	685.09	686.75	(1.66)	5,486.29	6,180.75	(694.46)	
57200 Property and Liability	1,275.66	1,493.12	(217.46)	16,329.62	13,438.08	2,891.54	
57300 Workers Compensation	-	154.83	(154.83)	1,259.26	1,393.47	(134.21)	
Total 57000 Insurance	1,960.75	2,334.70	(373.95)	23,006.17	21,012.30	1,993.87	
58000 Interest Paid	389.71	512.91	(123.20)	4,294.59	4,616.19	(321.60)	
59000 Legal Fees	-	333.33	(333.33)	-	2,999.97	(2,999.97)	
60000 Maintenance & Repair	-	-	-	-	-	-	
60100 Cleaning & Janitorial	-	2,500.00	(2,500.00)	12,000.00	22,500.00	(10,500.00)	havn't incurred expense for Ron
60150 Elevator Service	-	-	-	-	-	-	
60200 Exterminating Service	-	12.50	(12.50)	-	112.50	(112.50)	
60300 Grounds Maintenance	-	-	-	84.80	-	84.80	
60500 Tools & Supply Purchases	-	2,991.67	(2,991.67)	(84.00)	26,925.03	(27,009.03)	havn't incurred expense for FAHI program
60600 Vehicle Maintenance	-	25.00	(25.00)	-	225.00	(225.00)	
Total 60000 Maintenance & Repair	-	5,529.17	(5,529.17)	12,000.80	49,762.53	(37,761.73)	

Interfaith Housing Alliance, Inc.
Budget vs. Actuals: IHA Budget FY2026 - FY26 P&L
July 2025 - March 2026

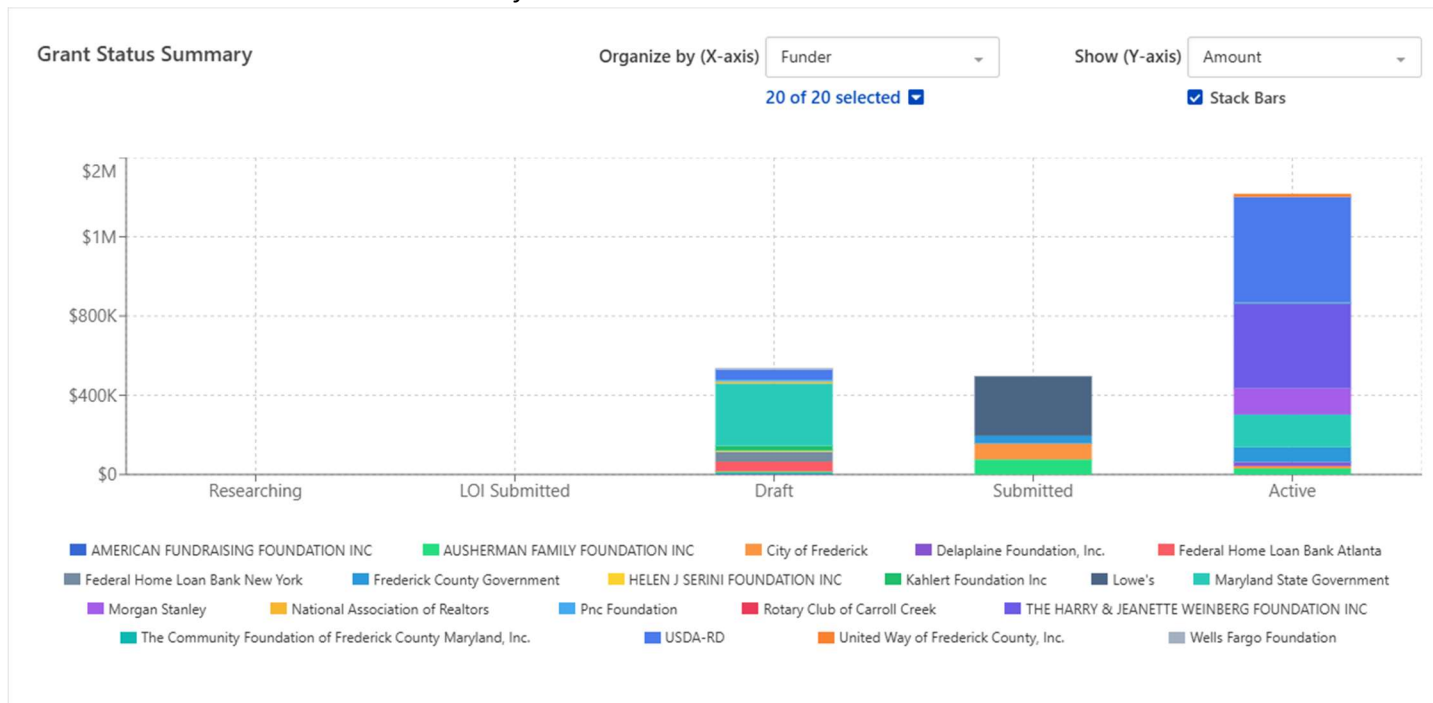
	MTD			YTD			Comments
	Actual	Budget	over Budget	Actual	Budget	over Budget	
62000 Office Supplies, Equipment & Software	22.00	50.00	(28.00)	186.00	450.00	(264.00)	
62100 Computer Software purchases	3,811.57	1,259.50	2,552.07	11,884.23	11,335.50	548.73	Drop box renewal
62200 IT Computer Support	1,330.85	1,063.77	267.08	13,626.14	9,573.93	4,052.21	Nov. 25 decommissioned 8 workstations at the properties. Increased the allocation for Innovative.
62300 Office Equipment Rental/Purchase	-	100.00	(100.00)	-	900.00	(900.00)	
62400 Office Supplies	624.00	486.60	137.40	4,411.98	4,379.40	32.58	
Total 62000 Office Supplies, Equipment & Software	5,788.42	2,959.87	2,828.55	30,108.35	26,638.83	3,469.52	
64000 Payroll Expense	-	-	-	-	-	-	
64100 Health Insurance Benefits	3,369.06	4,902.49	(1,533.43)	36,168.16	44,122.41	(7,954.25)	
64200 Payroll Taxes	4,287.14	4,093.06	194.08	35,309.75	36,837.54	(1,527.79)	
64300 Retirement Benefits	1,611.97	2,398.62	(786.65)	15,933.23	21,587.58	(5,654.35)	
64400 Salary	52,166.30	53,475.85	(1,309.55)	426,545.84	481,282.65	(54,736.81)	Due to RIF, and exit of CFO
Total 64000 Payroll Expense	61,434.47	64,870.02	(3,435.55)	513,956.98	583,830.18	(69,873.20)	
65000 Postage and Printing	18.88	171.44	(152.56)	381.39	1,542.96	(1,161.57)	
67000 Rent & Lease	665.18	675.90	(10.72)	5,897.77	6,083.10	(185.33)	
69000 Taxes & Licenses	1,595.20	-	1,595.20	1,636.20	-	1,636.20	
69100 Other Taxes	381.75	282.50	99.25	(5,473.85)	2,542.50	(8,016.35)	
Total 69000 Taxes & Licenses	1,976.95	282.50	1,694.45	(3,837.65)	2,542.50	(6,380.15)	
70000 Travel, Training & Personnel	250.00	280.09	(30.09)	250.00	2,520.81	(2,270.81)	
70100 Meals	22.92	25.00	(2.08)	22.92	225.00	(202.08)	
70200 Mileage	-	475.31	(475.31)	651.00	4,277.79	(3,626.79)	
70300 Training expense	-	746.10	(746.10)	2,482.98	6,714.90	(4,231.92)	
70400 Fuel Expense	-	110.00	(110.00)	-	990.00	(990.00)	
70500 Personnel Recruitment	-	28.24	(28.24)	174.90	254.16	(79.26)	
Total 70000 Travel, Training & Personnel	272.92	1,664.74	(1,391.82)	3,581.80	14,982.66	(11,400.86)	
72000 Utilities	-	-	-	-	-	-	
72200 Electric	-	-	-	(6.24)	-	(6.24)	
72600 Telephone	146.14	162.20	(16.06)	1,487.96	1,459.80	28.16	
Total 72000 Utilities	146.14	162.20	(16.06)	1,481.72	1,459.80	21.92	
75000 Public Aide and Advocacy (Properties)	-	-	-	46,123.50	-	46,123.50	
Total Expenditures	79,940.23	87,597.94	(7,657.71)	712,304.13	788,381.46	(76,077.33)	
Net Operating Revenue	21,602.73	(30,519.07)	37,181.22	(80,248.41)	(274,671.63)	166,690.00	
Other Revenue	-	-	-	-	-	-	
48200 Interest Earned	-	0.42	(0.42)	1.36	3.78	(2.42)	
48300 Other Income	-	-	-	5,600.00	-	5,600.00	
48400 Loss on Sale of Property	-	-	-	11,148.00	-	11,148.00	
80000 Gain/loss on sale of Asset	-	1,166.67	(1,166.67)	-	10,500.03	(10,500.03)	
Total Other Revenue	-	1,167.09	(1,167.09)	16,749.36	10,503.81	6,245.55	
Net Other Revenue	-	1,167.09	(1,167.09)	16,749.36	10,503.81	6,245.55	
Net Revenue	21,602.73	(29,351.98)	36,014.13	(63,499.05)	31,920.16	(31,578.89)	

Interfaith Housing Alliance Grant Funding Report – March 2026*

*Payments Scheduled for Awarded Grants Only***



Distribution of Potential and Active Grant Funds across Funders



*as of April 6, 2026

** one-year extension and pause for USDA-RD grant

Distribution of Grant Applications across Cost Centers + Progress toward Updated Targets, FY26

Capacity Building

Target: \$0



Capital Improvements

Target: \$1

Requests in Pipeline: \$300,000



Credit Cafe

Target: \$112,795

Awarded Grants: \$52,173 Requests in Pipeline: \$27,179 Rejected: \$35,759



Financial Freedom Bootcamp

Target: \$27,842

Awarded Grants: \$14,620 Requests in Pipeline: \$8,923 Rejected: \$21,041



Frederick Affordable Housing Incubator

Target: \$47,230

Awarded Grants: \$16,898 Requests in Pipeline: \$18,434 Rejected: \$73,007



Operations

Target: \$407,266

Awarded Grants: \$221,250 Requests in Pipeline: \$76,064 Rejected: \$20,750



Pass-Through

Target: \$1,500

Awarded Grants: \$1,519



Program Support

Target: \$34,671

Awarded Grants: \$8,950 Requests in Pipeline: \$5,464 Rejected: \$18,683



Purchase-Repair

Target: \$64,342

Awarded Grants: \$94,353



Rehabilitation of Weinberg House

Target: \$55,676

Awarded Grants: \$55,576 Rejected: \$9,478



Supportive Services

Target: \$27,908

Awarded Grants: \$7,500 Rejected: \$22,719



Undecided - reallocate

Target: \$1





04/01/2026 – Purchase Repair Program Stats for the USDA-RD 523 TA Grant 2023-2026

Grant Obligation: 15 Participants to be completed by 09/29/2026

7 participants have purchased an eligible home

7 participants have completed 100% of their repairs

	<i>Closed</i>	<i>Final Home Inspection</i>	<i>Final Docs sent to USDA-RD</i>
▪ M. Meisel	11/21/2023	06/04/2024	
▪ L. Northington	07/12/2024	10/18/2024	
▪ C. Johnson	01/17/2025	04/15/2025	
▪ M. Launi	03/21/2025	06/27/2025	07/29/2025
▪ D. Wallace	08/26/2024	06/20/2025	
▪ K. Lynch	07/18/2025	11/10/2025	
▪ T. Gibson	07/25/2025	10/24/2025	

0 participants are actively working on their repairs

	<i>Closed</i>	<i>% Completed</i>

0 participants have a home under contract

	<i>Contract</i>	<i>Inspection</i>	<i>Sent to USDA-RD</i>	<i>Appraisal</i>	<i>Closing</i>

0 participants have their Letter of Eligibility

	<i>Submitted</i>	<i>USDA-RD staff</i>	<i>LOE Issued to replace COE issued 2/9 or later</i>

0 participant are waiting for their loan application to be processed by USDA-RD

	<i>Entered Program</i>	<i>Loan Application Submitted</i>

0 participants are actively working on the loan RE-application process

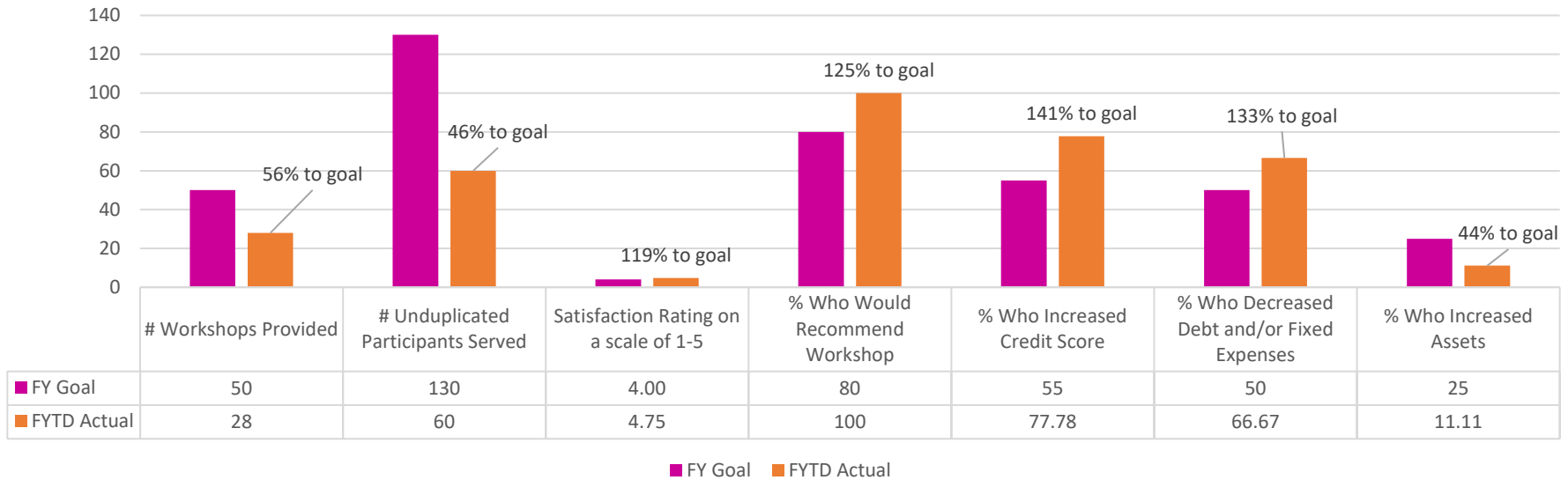
	<i>Entered Program</i>	<i>Invited to Submit Loan Documents</i>

0 participants are ready to move forward with the loan application process

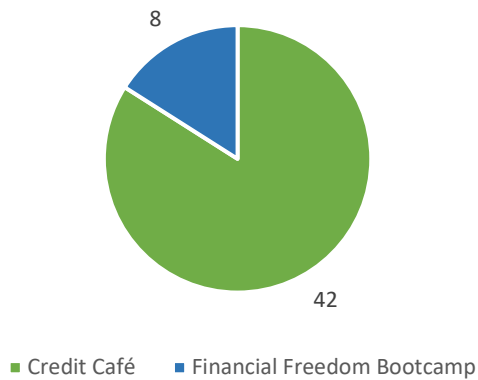
	<i>Entered Program</i>	<i>Next Steps</i>

**Interfaith Housing Alliance
Workshop Impact Report – March 2026***

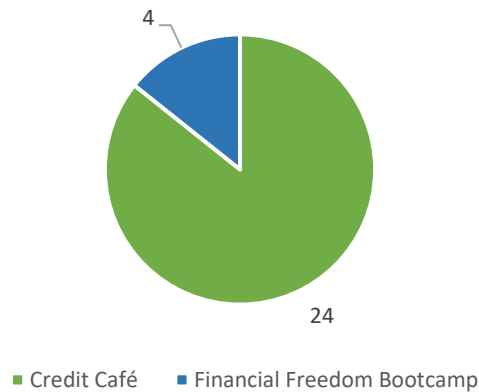
Workshop Data YTD for FY26



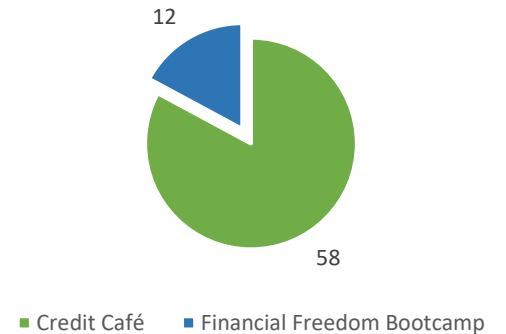
Number & Type of Workshops Planned for FY26



Number & Type of Workshops Implemented YTD for FY26



Duplicated Number of Participants Served Across Workshops YTD for FY26



*as of April 8, 2026

IHA Project Development Progress Dashboard

Project Name	County	Address	Number of Units	Unit Type	9%/4%	Investment	Partner	IHA Role	IHA Ownership %	Tax Credit Status	Project Status
Blue Oaks at North Odenton	AA	1566-1580 Annapolis Road Odenton MD 21113	150	Multifamily	Twinning 9% 4%	\$44,805,895	Conifer	SS/CMM CMM	15% 15%	Awarded Jan 2021	Under construction-hopeful to have COs - don't yet as of April 2026 per CT
Overlook East	FC	423 East Patrick Street Frederick, MD 21701	84	Multifamily	4%	\$25,975,858	Conifer	SS/CMM	10%	Awarded April 2021	May be leased up as of April 2026 per CT
The Heights at Himes	FC	Himes Ave	148	Multifamily	4%/9%	\$54,926,105	Conifer	SS/CMM	15%	Not submitted	Awarded the RFP
Last Updated: 12/15/2025		Total Number of Units	382	Total Dollars Invested		\$125,707,858					

Totals by County	Frederick	272
	Carroll	0
	Anne Arundel	150
	Washington	

SS	Supportive Services
CMM	Co-Managing Member
MGP	Managing General Partner
PM	Property Manager

*****Confidential*****
 Not for circulation without permission

JOINT VENTURE AGREEMENT

This Agreement, made as of April ___, 2026, between Conifer Realty, LLC, having its principal office at 1000 University Avenue, Suite 500, Rochester, New York 14607, ("Conifer"), and Interfaith Housing Alliance, Inc, having its principal office at 22 S. Market Street, Suite 217 Frederick MD 21701 (the "~~Nonprofit~~ Interfaith").

Commented [JM1]: Make this change throughout

The parties desire to form a joint venture to apply for funding for, and if successful, to acquire, develop, improve, maintain, own and operate a 145-unit multi-family rental apartment development to be known as The Heights at Himes located at 585 Himes Ave Frederick MD, (the "Development");

The parties each possess certain skills and resources and each have experience in construction and rehabilitation of real property, in developing affordable housing for low-income persons; and it is in their mutual interest to jointly participate in implementing the Development;

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **PURPOSE OF VENTURE.** The purpose of the Joint Venture is to carry out the acquisition, construction, improvement, management and ownership of the Development, including overseeing the construction of the Development, architectural and engineering analysis and design, securing necessary financing, including subsidies and grants, and all other acts deemed necessary and proper in furtherance of the venture. The Development shall be used as affordable multifamily rental housing in accordance with the federal low-income housing tax credit requirements. The sources of financing for the Development are expected to include a conventional construction loan, permanent financing from a conventional bank and/or government agencies, low-income housing tax credit equity and, to the extent applicable, a payment in lieu of taxes agreement from the municipality in which the Development is located ("PILOT").
2. **FORMATION OF LIMITED LIABILITY COMPANY.** The parties will form a single purpose limited liability company ("LLC") to assume the obligations of the Joint Venture and to be the owner of the Development and will form a single purpose limited liability company to act as managing member of the LLC (the "Managing Member"), with the Nonprofit, or its affiliate, having an 15.1% interest and Conifer, or its affiliate, having a 84.9% interest in the Managing Member. The parties may mutually agree to change their percentage ownership in the managing member of the LLC to the extent needed to comply with funding requirements.
 - a) It is contemplated that 99.99% of the ownership interest in the LLC will be transferred to a tax credit investor (the "Investor") who will become a non-managing member of the LLC and contribute equity for the Development in exchange for tax credits and other benefits.
 - b) The terms of the Managing Member operating agreement will be subject to the approval of both parties, which approval shall not be unreasonably withheld, conditioned or delayed. The parties contemplate that if Conifer is providing all or substantially all of the guarantees required for the Development, that Conifer shall retain all or substantially all of the control of the Managing Member. After the end of the tax credit compliance period, the JV Partner will have no consent rights with respect to the LLC and the

Commented [JM2]: I suggest you request 25.1% interest. This will enable the project to score better with MDHCD when applying for LIHTC. See Section 4.1.4 of the Multifamily Rental Financing Program Guide published by MDHCD.

Development, including with respect to sale or refinancing, and Conifer shall have an option to acquire the membership interest of the JV Partner for the fair market value of such interest.

3. **RESPONSIBILITIES.** The parties shall have the following responsibilities in connection with the Development, time being of the essence:
- a) Conifer, or its affiliate, shall be the controlling managing member of the LLC and shall be named developer of the Development. Conifer and its affiliate shall have the following development and managing member responsibilities:
 - i) prepare a detailed development budget for the overall project scope;
 - ii) oversee preparation of plans and specifications and identify and approve the scope of work for site improvements, including roads, utilities, recreational facilities, building and other improvements;
 - iii) obtain all necessary governmental approvals and permits;
 - iv) apply for and obtain low-income housing tax credits, grants, subsidy, construction and permanent financing in amounts sufficient to fund the overall project costs pursuant to the budget, plans and specifications;
 - v) select the design and construction team, negotiate and execute contracts, on behalf of the LLC, with architects, contractors and others for supplies and services to be utilized in the design, construction and improvement of the Development;
 - vi) as owner representative, oversee and administer construction contracts, perform construction closeout functions and punch list of units;
 - vii) obtain insurance coverage for the Development;
 - viii) conduct construction and permanent loan closings and tax credit syndication of the Development, including engaging attorneys and accountants and other professionals;
 - ix) work with the property management agent during initial rent up and occupancy;
 - x) establish and implement appropriate administrative and financial controls, including periodic updating and revision of cost projections, preparing annual investor reports, communications, and tax forms;
 - xi) conduct tax credit monitoring and reporting.
 - b) The Nonprofit, or its affiliate, shall be a managing member of the LLC. The Nonprofit and/or its affiliate shall participate in the development and operation of the Development throughout the compliance period, or longer if required by funding sources, and shall have the following development and managing member responsibilities:
 - i) Coordinate and deliver supportive services to the Development's residents and provide associated documentation required for funding applications and compliance. Nonprofit shall also recruit, hire, and train a coordinate that shall work directly with Conifer during resident move-in. Nonprofit shall provide Conifer quarterly reports on services provided and Conifer may share these reports with funding agencies.
 - ii) assist in securing local planning approvals, including zoning and subdivision approvals, building and use permits;
 - iii) assist in communications with local agencies, neighborhood groups, and other local organizations, including the local housing authority;
 - iv) assist in obtaining a PILOT and create a housing development fund company if necessary to obtain the PILOT and other tax benefits;
 - v) assist in obtaining low interest loans, grants and subsidy;
 - vi) assist in preparation and submission of tax credit, grant and loan applications;
 - vii) review design aspects of the Development;
 - viii) review any outside contractor and construction contract;
 - ix) review monthly construction reports and updates;

Commented [JM3]: Modify so that Interfaith does not have to hire a new staff member and can instead rely on existing staff if you so choose.

- x) assist with initial rent up and marketing;
- xi) if tax credits are awarded under the nonprofit set aside, the Nonprofit shall "materially participate" in the development and operations of the Development, within the meaning of Section 42 of the Internal Revenue Code (IRC), shall maintain its federal tax exemption pursuant to Section 501(c) of the IRC and its Articles of Incorporation shall state that Nonprofit's purpose includes the fostering of low-income housing; and
- xii) any other responsibilities required by the Development's funding sources and the state agency that awards tax credits to the Development (the "Regulating Agency").

4. **ADVANCEMENT OF INITIAL COSTS.** Conifer, in its sole discretion, shall advance any funds it deems necessary to cover expenses associated with funding applications, third party, due diligence and land acquisition costs. It is the intent of the parties that the LLC shall be responsible for such costs and that all advances, together with interest, shall be reimbursed from mortgage proceeds, equity funds and any other available funds of the LLC and Development, at the discretion of Conifer, subject to the consent of the Regulating Agency, if required. Interfaith will have no responsibility to advance any funds to cover any initial costs.

5. **LIMITED LIABILITY COMPANY FUNDS.** To the extent permitted by the Regulating Agency and Investor, it is anticipated that the following fees and distributions shall be paid to the parties or their affiliates in connection with the Development:

- a) Nonprofit shall be paid fifteen percent (15%) of the development fee approved by the regulatory agency. The balance of the development fees shall be paid to Conifer. Conifer and Nonprofit shall use their best efforts to maximize the fee approved by the regulating agency. It is anticipated that Conifer and Nonprofit shall receive their respective share of the development fee in accordance with the schedule approved by the Regulating Agency and tax credit investor. Development fee will be payable to both Conifer and Nonprofit on a pro rata basis as it is paid and available, why may include deferred development fee paid from cashflow.

Note: I suggest you propose a different schedule for payment of the development fee to Interfaith using the following general parameters:

1. \$25,000 (or some other fixed amount that makes sense for Interfaith) is due to Interfaith upon the reservation of 9% LIHTC and/or approval of tax-exempt bonds for the project. This amount is non-refundable whether or not the Project moves forward. Note: Conifer will need to come out of pocket for this amount
2. \$75,000 (or some other fixed amount that makes sense for Interfaith) is due to Interfaith upon closing of the financing necessary to begin construction of the Project.
3. Balance of Interfaith's share of the fee will be payable on a pro-rata basis as it is paid and available, which may include deferred development fee paid from cash flow.

a)b) Nonprofit shall be paid an annual ~~The Development shall set aside a~~ supportive services ~~fee yearly operating fund~~ of \$15,000 for the Nonprofit to utilize for the purpose of providing supportive services, and such amount shall be increased by 3% annually.

b)c) Reimbursement to the Nonprofit for legal costs ~~and any other project costs~~ in connection with the Development ~~of up to \$15,000,~~ subject to receipt of actual invoices ~~and confirmation that the costs are tax credit eligible.~~

Commented [JM4]: Reimbursement of IHA Expenses to get the deal closed should not be capped.

- e)d) Reimbursement to Conifer of out-of-pocket expenses directly related to the Development including: photocopies, phone, mileage, etc.
- e)e) Reimbursement to Conifer for in-house legal department services in connection with the Development, in an amount of up to \$100,000.
- e)f) Conifer and Interfaith shall be paid on a prorata basis to their ownership interests an annual cumulative company management fee in an amount approved by Investor, increased by 3% annually
- f)g) Pursuant to the terms to be negotiated as part of the tax credit syndication, it is anticipated that after payment of any deferred developer fee, repayment of member advances and company management fee, the residual cash flow available to the Managing Member, shall be allocated on a pro rata basis, with the first 90% being distributed as an incentive management fee to Conifer and Interfaith, and the remaining 10% or as a distribution to, with Conifer receiving 100% of the cash flow.
- g)h) Upon sale or refinancing of the Development (a "Capital Transaction"), Conifer and Nonprofit shall receive a fee of 6% of the sale price or refinancing amount in exchange for: identifying and negotiating with potential buyers or lenders, coordinating due diligence and underwriting the transaction.
- h)i) It is anticipated that the net capital transaction proceeds available to the Managing Member from a Capital Transaction or dissolution shall be with Conifer receiving 100%-allocated on pro-rata basis between Conifer and Interfaith
- i)j) The parties anticipate that the fees, cash flow distributions and capital transaction proceeds set forth in this Paragraph will be paid to the members of the LLC in the following order of priority: first to the asset management fee payable to the Investor; then to the deferred portion of the development fee, if any; to the payment of Conifer's and Interfaith's company management fee; repayment of member loans and advances; incentive management fee; and finally the residual cash flow or proceeds would be allocated as set forth above. The parties anticipate that the Investor will receive 10% of cash flow and sale or refinancing proceeds.

Commented [JM5]: This is a partnership management fee, so it should be split between the owners, Conifer and Interfaith

6. **GENERAL CONTRACTOR AND PROPERTY MANAGER.** The general contractor retained to build the Development shall be Conifer-LeChase Construction, LLC, which shall receive the maximum builder profit and overhead fee approved by the Regulating Agency. Upon completion, the Development will be managed by Conifer Management, LLC or its affiliate. The management fee shall be the maximum fee permitted by the Regulating Agency, which is expected to be at least 6% of the gross annual revenue of the Development.
7. **GUARANTEES AND CONTROL.** The parties anticipate that Conifer shall provide all payment and performance guarantees required by government agencies, lenders and the Investor in connection with the Development. In the event that Conifer provides such guarantees, managing member control of the LLC shall be delegated to Conifer to the fullest extent permitted by the Development's funding sources
8. **OPTION AND RIGHT OF FIRST REFUSAL.** After the expiration of the tax credit period, ~~Interfaith~~Conifer shall have an option and right of first refusal in accordance with the terms detailed in Section 42(i)(7) of the Internal Revenue Code to acquire the Development and/or the Investor's membership interest in the LLC on terms to be negotiated with the Investor.
9. **NONPROFIT COVENANTS.** The Nonprofit agrees that throughout the term of this Agreement and for as long as it, or its affiliate, is a managing member of the LLC, it shall maintain its 501(c)(3) status in full force and effect and continue to have as one of its purposes, the

fostering of low-income housing. In the event that a for-profit subsidiary is formed to be a managing member of the LLC, the Nonprofit agrees that it shall make a 168(h) election under the Internal Revenue Code for such subsidiary when its first tax return is filed (or if the subsidiary is a pre-existing entity, upon filing the tax return for the year this Agreement is dated). The parties agree that no fees owing to the Nonprofit shall be paid until the Nonprofit provides to Conifer evidence, in the form of a filed tax return, that such election has been made. The Nonprofit acknowledges that the requirements of this paragraph are a material part of this Agreement and the failure to comply with these terms could result in losses to Conifer and the Investor. The Nonprofit is responsible for preparing and paying for its own tax returns and that of its subsidiaries and shall keep these entities active and in good standing in the state where the Project is located. If the Nonprofit provides debt financing to the LLC and the Development as a pass-through entity, the Nonprofit agrees that the maturity date of the financing may be extended and other terms of the debt may be modified at Conifer's option, to facilitate the capital transaction as long as the Development continues to be subject to affordability requirements.

10. **CONFIDENTIALITY.** The parties acknowledge and agree that the terms of this Agreement are strictly confidential and, accordingly, each of the parties hereto agrees not to disclose such information to any third party without the prior written consent of the other, provided, however, that each of the parties may disclose such information to their respective officers, directors, employees, professional advisors, lenders and investors (including potential lenders and investors if for the purpose of obtaining financing for the Development).

11. **BOOKS AND RECORDS.** The books and records of the Joint Venture shall be maintained by Conifer and shall be available at all times to the parties hereto. Following permanent loan closing, ~~at the Nonprofit's request~~, Conifer shall provide the following reports for the Nonprofit's review and consideration: annual audited financial statement of the LLC; balance sheet, statements of income and expense, members' equity and cash flows; budget for the upcoming fiscal year; tax returns.

Commented [JM6]: Reports and audits should be provided without having to request

12. **OTHER INTERESTS.** The parties shall diligently endeavor to protect the rights and interests of the LLC and the Development and to perform all of their duties hereunder in a good, diligent and workmanlike manner. The parties shall devote such time to the affairs of the Joint Venture as may be necessary, it being understood, however, that no party or representative shall be required to devote full time to the Joint Venture business, but only such time as may be reasonably required. The parties and their affiliates may have other business interests, including competing business interests. The Joint Venture shall have no right in and to said businesses or competing interests. Notwithstanding anything to the contrary herein, the Nonprofit agrees not to submit an application for tax credits that would compete with the tax credit application being submitted for this Development (i.e., same state and same tax credit application round).

13. **COST OVERRUNS.** In the event there are cost overruns which exceed all available sources to the Joint Venture, such cost overruns shall be paid from the following sources in the following priority: (i) from deferral of the Development Fee and (ii) from Conifer to the extent of its guarantees in the form of a loan to the Joint Venture. For the avoidance of doubt, in no event shall Interfaith be liable for any cost overruns.

14. **LIMITATION OF LIABILITY** In the event the Project is not approved for financing within a period ending thirty-six (36) months after the date of this Agreement and predevelopment or development costs incurred by the parties hereto are not reimbursed by the Joint Venture or

through third-party grants provided to Conifer or Interfaith, the total of all unreimbursed predevelopment and development costs incurred by Conifer or Interfaith shall be Conifer's and Interfaith's only liability. Notwithstanding this, Conifer shall not be liable for any obligations that may be entered into separately by Interfaith. Interfaith shall not be liable for obligations that may be entered into separately by Conifer. Interfaith shall not be liable for any obligations of the Joint Venture. Conifer agrees to indemnify, defend and hold harmless Interfaith and its managers, officers, directors, employees, agents and assigns against any and all losses, damages, claims, actions and other expenses incurred by Interfaith or its managers, officers, directors, employees, agents and assigns arising out of any third-party claim alleging any negligent or more culpable act of Conifer or its managers, officers, directors, employees, agents and assigns in connection with the performance of its obligations under this Agreement.

42.15. NO ASSIGNMENT. No party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of Conifer. Notwithstanding anything to the contrary, Conifer may assign its rights and obligations hereunder to one or more affiliates without consent.

43.16. TERMINATION. The parties may terminate this Agreement: (i) upon mutual agreement; (ii) if Conifer determines that the Development as contemplated is infeasible; (iii) by Conifer if the Nonprofit is not approved by the Regulatory Agency as a "qualified nonprofit organization" or "local tax exempt organization", as such terms are used in connection with the federal low income housing tax credit program, or the Nonprofit is not acceptable to the Development's lenders and Investors; (iv) by Conifer if the controlling members and/or officers of the Nonprofit or its affiliates change in a material way; or (v) by either party upon a default by the other party that is not cured after 30 days written notice and opportunity to cure. Upon such termination, all reports, approvals and other documentation regarding the Development shall become the property of Conifer. In the event that this Agreement is terminated through no fault of Conifer, nothing shall preclude Conifer from pursuing a similar Development, or a development on the same property on its own or with another joint venture partner at any time in the future.

44.17. NOTICES. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be delivered by (i) nationally recognized overnight courier, or (ii) by United States mail, to a party's address set forth below, or at such other address as a Party may designate. All such notices and other communications shall be effective or deemed effective, as the case may be, upon (i) one (1) business day after deposit with a nationally recognized overnight courier, or (ii) three (3) days after being deposited in the United States mail.

If to Conifer:

Conifer Realty, LLC
1000 University Ave, Suite 500
Rochester, NY 14607

45.18. Attention: Lisa Kaseman

With a copy to:

Conifer Realty, LLC
1000 University Ave., Suite 500

Rochester, NY 14607
Attention: Michelle Austin, Esq.

If to Nonprofit:

Interfaith Housing Alliance, Inc.
22 South Market Street, Suite 217
Frederick, MD 21701
Attention: Anna Rini

46.19. MISCELLANEOUS.

- a) At all times, this Agreement shall inure to the benefit of and constitute a binding obligation upon each of the parties hereto and their respective successors and assigns.
- b) This Agreement contains the entire understanding between the parties and supersedes any prior understandings or agreements among them. This Agreement shall be read in conjunction with the Amended and Restated Operating Agreement of the LLC and Development Agreement, both which are anticipated to be executed as part of the syndication with Investor.
- c) This Agreement may not be modified or amended without the written consent of all parties.
- d) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.
- e) In the event of a dispute between the parties as to any matter subject of this agreement, the parties shall first seek to resolve their differences by informal negotiation. If after thirty (30) days, the parties still are unable to resolve their differences, the parties agree to seek to resolve such differences in mediation before a mutually agreed upon mediator. If the parties are unable to agree upon a mediator, each party shall select a mediator and the two selected persons shall identify a third mediator who shall then act to attempt to resolve the disputes. The parties shall split the cost of mediation evenly. If the matter is not resolved through mediation after good faith effort, the parties shall be free to resort to the courts. Any such proceeding shall be initiated in New York State and the law of New York shall apply.

If any action at law or in equity is necessary to enforce the terms of any of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees actually incurred and costs in addition to any other relief to which such party may be entitled.

This Agreement may be executed in any number of counterparts and all of such counterparts shall for all purposes constitute one agreement, binding on the parties hereto upon delivery. Facsimile copies of signatures, electronic or digitally scanned signatures are acceptable to evidence a complete agreement and shall be considered valid, binding and effective for all purposes.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CONIFER REALTY, LLC

By: _____
Lisa Kaseman
Executive Vice President Development + Acquisitions

INTERFAITH HOUSING ALLIANCE, INC.

By: _____
Anna Rini
Interim CEO

