Allies & Ross
Management and Development Corporation
412 Boulevard of the Allies
Pittsburgh, PA

412-456-5012

November 1, 2024

Glen Hazel Bond Rebate Analysis

Quote Request

ADDENDUM #1

This addendum issued November 1, 2024, becomes in its entirety a part of the Quote Request as is fully set forth herein:

Item 1: Q: Can you provide me with a copy of the IRS Form 8038 and Tax Certificate/Non-Arbitrage Certificate associated with the 2018A and 2018B bonds. These documents will provide valuable information about the structuring of the bonds and assist with providing a quote.

A: Please find attached the IRS Form 8038 (Attachment A) and Tax Certificate/Non-Arbitrage Certificate (Attachment B) associated with the 2019A and 2018 bonds.

Item 2: The quote due date, time, and location remain unchanged at November 7, 2024 at 10:00 a.m. at the HACP Procurement Dept., 412 Boulevard of the Allies, 6th Floor, Pittsburgh, PA 15219. Additionally, quotes may be faxed to Attn: Brandon Havranek at 412-456-5007 or email to Brandon.Havranek@hacp.org

END OF ADDENDUM NO. 1

James Harris (Nov 4, 2024 09:07 EST)
Mr. James Harris
General Counsel/Contracting Officer

November 4, 2024
Date

Attachment A

Form **8038** (Rev. September 2018) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Private Activity Bond Issues

(Under Internal Revenue Code section 149(e))
► See separate instructions.
► Go to *www.irs.gov/Form8038* for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority

Check if **Amended Return** ► ☐

1 Issuer's name Pennsylvania Housing Finance Agency	2 Issuer's employer identification number 23-1733024
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) — Room/suite 211 North Front Street	5 Report number (*For IRS Use Only*) 1
6 City, town, or post office, state, and ZIP code Harrisburg, PA 17101	7 Date of issue (MM/DD/YYYY) 11/20/2018
8 Name of issue Special Limited Obligation Multifamily Housing Development Bonds (Glen Hazel Apartments), Series 2018A and 2018B	9 CUSIP number 7078797AP0
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Rebecca L. Peace, Esquire, Chief Counsel	10b Telephone number of officer or other employee shown on 10a 717-780-3948

Part II Type of Issue (Enter the issue price.)

			Issue Price
11	Exempt facility bond:		
a	Airport (sections 142(a)(1) and 142(c))	11a	
b	Docks and wharves (sections 142(a)(2) and 142(c))	11b	
c	Water furnishing facilities (sections 142(a)(4) and 142(e))	11c	
d	Sewage facilities (section 142(a)(5))	11d	
e	Solid waste disposal facilities (section 142(a)(6))	11e	
f	Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f	25,650,000.00
	Meeting 20–50 test (section 142(d)(1)(A)) ☐		
	Meeting 40–60 test (section 142(d)(1)(B)) ☒		
	Meeting 25–60 test (NYC only) (section 142(d)(6)) ☐		
	Has an election been made for deep rent skewing (section 142(d)(4)(B))? ☐ Yes ☒ No		
g	Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g	
h	Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h	
	Facility type		
	1986 Act section		
i	Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i	
j	Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j	
k	Other (see instructions)	11k	
l	Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l	
m	Mass commuting facilities (sections 142(a)(3) and 142(c))	11m	
n	Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n	
o	Other (see instructions)		
p	Local district heating or cooling facilities (sections 142(a)(9) and 142(g))	11p	
q	Other (see instructions)	11q	
12a	Qualified mortgage bond (section 143(a))	12a	
b	Other (see instructions)	12b	
13	Qualified veterans' mortgage bond (section 143(b)) (see instructions) ►	13	
	Check the box if you elect to rebate arbitrage profits to the United States ☐		
14	Qualified small issue bond (section 144(a)) (see instructions) ►	14	
	Check the box for $10 million small issue exemption ☐		
15	Qualified student loan bond (section 144(b))	15	
16	Qualified redevelopment bond (section 144(c))	16	
17	Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17	
18	Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18	
	Check box if 95% or more of net proceeds will be used **only** for capital expenditures ► ☐		
19	Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19	
20a	Other (see instructions)		
b	Reissuance (see instructions)	20b	
c	Other. Describe (see instructions) ►	20c	

For Paperwork Reduction Act Notice, see separate instructions.

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	11/01/2058	$ 25,650,000.00	$ 25,650,000.00	13.789 years	VR %

Part IV Uses of Proceeds of Issue (including underwriters' discount)

					Amount
22	Proceeds used for accrued interest			22	0
23	Issue price of entire issue (enter amount from line 21, column (b))			23	25,650,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	103,000.00		
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to refund prior tax-exempt bonds. Complete Part VI	27	0		
28	Proceeds used to refund prior taxable bonds. Complete Parts V and VI	28	0		
29	Add lines 24 through 28			29	103,000.00
30	Nonrefunding proceeds (subtract line 29 from line 23, enter amount here, and complete Part V)			30	25,547,000.00

Part V Description of Property Financed

Caution: Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

			Amount
31	**Type of Property Financed:**		
a	Land	31a	0
b	Buildings and structures	31b	24,677,905.00
c	Equipment with recovery period of more than 5 years	31c	0
d	Equipment with recovery period of 5 years or less	31d	0
e	Other. Describe (see instructions) Other charges, costs and professional fees	31e	869,095.00

32 North American Industry Classification System (NAICS) of the projects financed.

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	531110	$ 25,547,000.00	c		$
b		$	d		$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.) N/A

33 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶ ____ years

34 Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶ ____ years

35 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶

36 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY) ▶

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ▶ Governor of Commonwealth of Pennsylvania approved 10/19/2018; public hearing held 08/20/2018

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) ▶ ☐

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶ ☐

40a Check the box if you have identified a hedge and enter the following information ▶ ☐

b Name of hedge provider

c Type of hedge ▶

d Term of hedge ▶

41 Check the box if the hedge is superintegrated ▶ ☐

42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) ▶

b Enter the final maturity date of the GIC (MM/DD/YYYY) ▶

c Enter the name of the GIC provider ▶

43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions) ▶ ☒

44 Check the box if the issuer has established written procedures to monitor the requirements of section 148 ▶ ☒

45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures ▶

b Enter the date the official intent was adopted (MM/DD/YYYY) ▶

46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds, and provide name and EIN of the primary private user ▶ ☒

Name ▶ Glen Hazel RAD LLC EIN 82-0834708

Part VIII Volume Caps

			Amount
47	Amount of state volume cap allocated to the issuer. **Attach copy of state certification**	47	
48	Amount of issue subject to the unified state volume cap	48	
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49	
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a	
b	Under a carryforward election. Attach a copy of Form 8328 to this return	49b	25,650,000.00
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c	
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d	
50a	Amount of issue of qualified veterans' mortgage bonds	50a	
b	Enter the state limit on qualified veterans' mortgage bonds	50b	
51a	Amount of section 1394(f) volume cap allocated to issuer. **Attach copy of local government certification**	51a	
b	Name of empowerment zone ▶		
52	Amount of section 142(k)(5) volume cap allocated to issuer. **Attach copy of state certification**	52	

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative | Date | Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	Preparer's PTIN
George T. Magnatta, Esquire				P01080116
Firm's name ▶ Saul Ewing Arnstein & Lehr LLP			Firm's EIN ▶ 23-1416352	
Firm's address ▶ Centre Square West, 1500 Market St., 38th Fl., Phila., PA 19102			Phone no. 215-972-7126	

Form **8328** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Carryforward Election of Unused Private Activity Bond Volume Cap

(Under Sections 146(f) and 142(k))

OMB No. 1545-0874

Enter the calendar year for which the election is made ▶ 2016

Part I Reporting Authority

State name for qualifying public educational facility bond or issuer's name for all other bonds: Pennsylvania Housing Finance Agency

Reporting Authority's EIN: 23 1733024

Number, street (or P.O. box if mail is not delivered to street address): 211 North Front Street

Room/suite:

Report number: 9

City or town, state, and ZIP code: Harrisburg, PA 17101

Caution: Part II is only for section 146(f) filers. Part III is only for qualifying public educational facility bond filers.

Part II Unused Volume Cap and Carryforward under Section 146(f)

Computation of Unused Volume Cap

1	Total volume cap of the issuer for the calendar year			1	621,790,300
2	Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions)	2	71,790,000		
3	Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions)	3			
4	Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions)	4			
5	Add lines 2 through 4			5	71,790,000
6	Unused volume cap (subtract line 5 from line 1)			6	550,000,300

Purpose and Amount of Each Carryforward

7	Qualified student loan bonds	7	
8	Qualified mortgage bonds or mortgage credit certificates	8	400,000,300
9	Qualified redevelopment bonds	9	
10	Exempt facility bonds:		
a	Mass commuting facilities (section 142(a)(3))	10a	
b	Water furnishing facilities (section 142(a)(4))	10b	
c	Sewage facilities (section 142(a)(5))	10c	
d	Solid waste disposal facilities (section 142(a)(6))	10d	
e	Qualified residential rental projects (section 142(a)(7))	10e	150,000,000
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10f	
g	Local district heating or cooling facilities (section 142(a)(9))	10g	
h	Qualified hazardous waste facilities (section 142(a)(10))	10h	
i	25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11))	10i	
j	Qualified enterprise zone facility bonds (section 1394(a)-(e))	10j	
11	Total carryforward amount (add lines 7 through 10j) (not to exceed line 6)	11	550,000,300

Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

12	Total volume cap for the calendar year	12	
13	Total amount of bonds issued under section 142(k) for the calendar year	13	
14	Unused volume cap available for carryforward (subtract line 13 from line 12)	14	
15	Amount elected to carryforward (not to exceed line 14)	15	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of authorized public official

1|27|17 Date

▶ Dennis M. Davin, Secretary DCED — Type or print name and title.

Form **8328** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Carryforward Election of Unused Private Activity Bond Volume Cap

(Under Sections 146(f) and 142(k))

OMB No. 1545-0874

Enter the calendar year for which the election is made ▶ 2017

Part I Reporting Authority

State name for qualifying public educational facility bond or issuer's name for all other bonds		Reporting Authority's EIN
Pennsylvania Housing Finance Agency		23-1733024
Number, street (or P.O. box if mail is not delivered to street address)	Room/suite	Report number
211 North Front Street		9
City or town, state, and ZIP code		
Harrisburg, PA 17101		

Caution: ***Part II is only for section 146(f) filers. Part III is only for qualifying public educational facility bond filers.***

Part II Unused Volume Cap and Carryforward under Section 146(f)

Computation of Unused Volume Cap

1	Total volume cap of the issuer for the calendar year			1	601,370,700
2	Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions)	2	0		
3	Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions)	3			
4	Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions)	4			
5	Add lines 2 through 4			5	0
6	Unused volume cap (subtract line 5 from line 1)			6	601,370,700

Purpose and Amount of Each Carryforward

7	Qualified student loan bonds	7	
8	Qualified mortgage bonds or mortgage credit certificates	8	451,370,700
9	Qualified redevelopment bonds	9	
10	Exempt facility bonds:		
a	Mass commuting facilities (section 142(a)(3))	10a	
b	Water furnishing facilities (section 142(a)(4))	10b	
c	Sewage facilities (section 142(a)(5))	10c	
d	Solid waste disposal facilities (section 142(a)(6))	10d	
e	Qualified residential rental projects (section 142(a)(7))	10e	150,000,000
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10f	
g	Local district heating or cooling facilities (section 142(a)(9))	10g	
h	Qualified hazardous waste facilities (section 142(a)(10))	10h	
i	25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11))	10i	
j	Qualified enterprise zone facility bonds (section 1394(a)-(e))	10j	
11	Total carryforward amount (add lines 7 through 10j) (not to exceed line 6)	11	601,370,700

Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

12	Total volume cap for the calendar year	12	
13	Total amount of bonds issued under section 142(k) for the calendar year	13	
14	Unused volume cap available for carryforward (subtract line 13 from line 12)	14	
15	Amount elected to carryforward (not to exceed line 14)	15	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of authorized public official — Date 2/14/18 — ▶ Dennis M. Davin, Secretary DCED — Type or print name and title.

Attachment B

$12,650,000
PENNSYLVANIA HOUSING FINANCE AGENCY
SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(GLEN HAZEL APARTMENTS), SERIES 2018A

and

$13,000,000
PENNSYLVANIA HOUSING FINANCE AGENCY
SUBORDINATE SPECIAL LIMITED OBLIGATION
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(GLEN HAZEL APARTMENTS), SERIES 2018B

TAX CERTIFICATE FOR
SECTION 142 BORROWERS OF TAX-EXEMPT BOND PROCEEDS

The undersigned, an authorized representative of Glen Hazel RAD, LLC, a limited liability company duly organized and existing under the laws of the Commonwealth of Pennsylvania (the "Owner"), hereby certifies, expects and agrees in connection with a loan (the "Loan") being made by the Pennsylvania Housing Finance Agency (the "Agency") from the proceeds of the Agency's Special Limited Obligation Multifamily Housing Development Bonds (Glen Hazel Apartments), Series 2018A in the original aggregate principal amount of $12,650,000 (the "Series A Bonds") and its Subordinate Special Limited Obligation Multifamily Housing Development Bonds (Glen Hazel Apartments), Series 2018B in the original aggregate principal amount of $13,000,000 (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") dated November 20, 2018 as follows:

1. Definitions:

Bond Issue Date:	November 20, 2018
Yield of Bonds:	Variable
Loan Amount up to:	$25,650,000
Maturity of Bonds:	November 1, 2058

2. Pursuant to a Loan Agreement, dated as of November 1, 2018, between the Agency and the Owner, (the "Loan Agreement"), proceeds of the Bonds in an amount equal to the Loan will be loaned to the Owner for the purpose of financing a portion of the cost of the acquisition, rehabilitating and equipping of 225-units of multifamily rental housing and related personal property and equipment, and located in Pittsburgh, Pennsylvania, and known as "Glen Hazel Family Community", "Glen Hazel-Almeda" and "Glen Hazel-Renova" (each a "Project" and collectively the "Project Facilities"). Capitalized terms not defined herein shall have the

meanings set forth in the Loan Agreement, the Tax Regulatory Agreements for each Project dated November 8, 2018 and effective November 20, 2018 between the Agency and the Owner (collectively, the "Regulatory Agreement") and the Internal Revenue Code of 1986, as amended (the "Code").

3. The costs set forth in **Schedule A** are reasonable estimates of the cost of the Financing Project.

4. The total cost of construction and equipping of the Financing Project is expected to be not less than the amount reflected in **Schedule A.**

5. Pursuant to each Regulatory Agreement, the Owner has covenanted to operate each Project as a qualified residential rental project within the meaning of Section 142(d) of the Code during the Qualified Project Period (as defined below). Throughout the Qualified Project Period, at least:

(a) ☒ 40% of the residential units in each Project will be leased to residents whose income is 60% or less of the area median gross income within the meaning of Section 142(d) of the Code, or

(b) ☐ 20% of the residential units in each Project will be leased to residents whose income is 50% or less of the area median gross income within the meaning of Section 142(d) of the Code ((a) or (b), whichever is applicable, is the "Low Income Tenants").

The qualified project period (the "Qualified Project Period") for each Project shall be a period beginning on the first day on which at least 10% of the residential units in such project (e.g., 10 of 100 units) are first occupied (or, if later, the date of issuance of the Bonds) and ending on the latest of --

(a) the date, which is 15 years after the date on which 50% of the residential units in such project are occupied,

(b) the first day on which no tax-exempt private activity bond issued with respect to such project is outstanding, or

(c) the date on which any assistance provided with respect to such project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

6. The determination of whether the income of a resident of a unit in a Project exceeds the income limit as set forth above shall be made at least annually on the basis of the current income of the resident, as required by Section 142(d)(3) of the Code.

7. The owner of each Project shall submit to the Secretary of the Treasury (at such time, and in such manner as the Secretary shall prescribe) an annual certification as to whether such Project continues to meet the requirements of Section 142(d) of the Code.

8. At least 95% of the net proceeds of the Loan will be used for Qualifying Costs (as defined below) of the Financing Project. Not more than 3% of the net proceeds of the Loan will be used for costs which are not Qualifying Costs. Qualifying Costs means costs of the Financing Project properly attributable to a qualified residential rental project within the meaning of Section 142(d) of the Code and the Regulations, including any land, building equipment or other property which is functionally related and subordinate to such facility which are of a character and size commensurate with the characteristics and size of such facility, as provided in the Code, including Reg. § 1.103-8(a)(3) and are chargeable to a capital account or would be so chargeable either with a proper election or but for a proper election to deduct such costs, within the meaning of Reg. § 1.103-8(a)(l), or would be considered valid reimbursements under Section 18 hereof and Reg. § 1.150-2. Any cost representing a profit paid to the Owner and any interest payable on the Bonds relating to any component of the Financing Project after it has been placed in service is not a Qualifying Cost. If the Owner fails to expend at least 95% of the proceeds of the Loan and earnings thereon on Qualifying Costs, it will prepay the Bonds with such excess proceeds.

9. With respect to depreciable property whose costs are listed on **Schedule A**:

(a) Improvements on the land will consist of buildings or structures each containing one or more similarly constructed units or one or more buildings or structures which have similarly constructed units (including all such buildings that are owned for federal tax purposes by the same person and financed pursuant to a common plan),

(b) Facilities that are functionally related and subordinate to the facilities described in this Section 9(b) will be of a character and size commensurate with the number and size of the living units, and

(c) Office space which is part of a Project is located on the premises of such Project and no functions to be performed in such office space are not directly related to the day-to-day operations at such Project.

(d) All of the buildings of each individual Project are proximate because they are located on parcels of land which are contiguous (except for the interposition of a road, street, stream or similar property) and all units comprising each Project will be leased to residents whose income is 60% or less of the area median gross income within the meaning of Section 142(d) of the Code. Furthermore, a building is considered a separate building if it contains a discrete edifice consisting of an independent foundation, outer walls, and roof (single townhouses are not buildings if their foundation, outer walls, and roof are not independent; detached houses and rowhouses are separate buildings).

10. No portion of the Bond proceeds will be used for the acquisition of land.

11. Each Project will be comprised of similarly constructed dwelling units containing separate and complete facilities for living, sleeping, eating, cooking and sanitation including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range (which does not include a microwave oven), refrigerator and sink but may be served by centrally located equipment such as heating and air conditioning. Please describe in

detail below the kitchen area (e.g., stove with four burners, large sink, oven, above-counter refrigerator):

Cooking range with four (4) burners and oven, stainless steel sink with garbage disposal, above-counter refrigerator, wood wall and base cabinets with plastic laminate countertops.

12. None of the dwelling units in a Project will be at any time used on a transient basis, and no portion of a Project has been or will be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court. The services made available at a Project will not be for the provision of continual or frequent nursing, medical or psychiatric services in accordance with IRS Revenue Ruling 98-47. There shall not be a registered nurse on site at a proposed Project twenty-four (24) hours per day.

13. All of the dwelling units in a Project will be available for rental by members of the general public, and the owner of a Project will not give preference to any particular class or group in renting the dwelling units in a Project, except to the extent that the Owner may be obligated under Section 220 of the National Housing Act and applicable FHA Regulatory Agreement to give preference to displaced persons or families in renting dwelling units and to the extent necessary to ensure the Low or Moderate-Income Tenants will have equal access to and enjoyment of all common facilities of a Project; provided, however, that an insubstantial number of dwelling units in a Project may be occupied by maintenance, security or managerial employees of the applicable owner or its property manager, which employees are reasonably necessary for operation of such Project.

14. None of the proceeds of the Loan shall be used to finance any commercial facilities that are not ancillary and subordinate to the residential rental property. None of the Financing Project will be used for commercial purposes without the consent of the Agency.

15. The total of the non-qualifying costs that will be financed from Bond proceeds is not greater than 3% of the proceeds of the Loan.

16. Except as indicated herein, the Owner does not anticipate that it or any other party will pledge any other investments or establish or create any other fund which will be security for the Bonds and from which it is reasonably expected that the principal of and interest on the Bonds will be paid.

17. No part of the proceeds of the Loan will be used to replace other funds of the Owner or any related person that were to be used for the Financing Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield of the Bonds.

18. Proceeds of the Bonds in the amount of $848,821 will be used to reimburse the Owner for expenditures of the Financing Project previously incurred and paid in anticipation of the issuance of the Bonds.

19. Proceeds of the Bonds in the amount of $12,174,867 will be used to pay the costs of acquiring the existing improvements of the Glen Hazel Family Community Project. An amount constituting at least 15% of the cost of acquiring each such building(s) financed with bond proceeds will be expended on rehabilitation expenditures within two years after the later of acquisition of the buildings or the date of closing of the Bonds. "Rehabilitation Expenditures" shall have the meaning ascribed to such term in § 147(d)(3) of the Code.

20. Proceeds of the Bonds in the amount of $364,409 will be used to pay the costs of acquiring the existing improvements of the Glen Hazel-Almeda Project. An amount constituting at least 15% of the cost of acquiring each such building(s) financed with bond proceeds will be expended on rehabilitation expenditures within two years after the later of acquisition of the buildings or the date of closing of the Bonds. "Rehabilitation Expenditures" shall have the meaning ascribed to such term in § 147(d)(3) of the Code.

21. Proceeds of the Bonds in the amount of $110,724 will be used to pay the costs of acquiring the existing improvements of the Glen Hazel-Renova Project. An amount constituting at least 15% of the cost of acquiring each such building(s) financed with bond proceeds will be expended on rehabilitation expenditures within two years after the later of acquisition of the buildings or the date of closing of the Bonds. "Rehabilitation Expenditures" shall have the meaning ascribed to such term in § 147(d)(3) of the Code.

22. Proceeds of the Bonds in the amount of $103,000 will be used to pay the costs of issuance of the Bonds.

23. $12,027,905 of Bonds will be used by the Owner to pay the costs of construction and renovations of the Financing Project. Any proceeds of the Bonds used to pay interest on the Bonds shall consist of interest due on the construction or renovation of the Financing Project.

24. $869,095 of Bonds will be used to pay other charges, professional fees and reserves. Such amount is equal to 3.38% of the principal amount of the Bonds.

25. Neither the Owner nor any related person as defined in the Code shall occupy any of the dwelling units in a Project.

26. No portion of the proceeds of the Bonds or investment earnings thereon have been or will be allocated to amounts used to provide, any airplane, skybox or private luxury box, health club facility, facility primarily used for gambling, or store, the principal business of which is the sale of alcoholic beverages for consumption off premises.

27. To the extent any portions of a Project do not constitute Qualified Costs or valid reimbursements under Section 18 above, the Owner will allocate proceeds of the Loan in a manner to ensure that the requirements and limitations specified herein are satisfied. If the proceeds of the Loan are used to refinance a construction loan, such proceeds shall be allocated first toward acquisition and construction costs of the Project and thereafter to other Qualified Costs.

28. To the extent a person became a substantial user (i.e., a user of 5% or more of a Project or a related person) after the date of the Resolution, no non-exempt person (as such term is defined in Reg. § 1.103-10(c)) who was a substantial user of the property which constitutes a Project at any time during the five year period preceding the date of issue who receives, directly or indirectly, proceeds of the Loan in an amount equal to 5% or more of the face amount of the Bonds has been or will be a substantial user of the Project at any time during the five year period following the date of issue.

29. The Owner covenants that it will assist the Agency in complying with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code with respect to the Bonds. No investments will be made and there will be no other use of the proceeds of the Loan which would cause the Bonds to be arbitrage bonds, as defined in Section 148 of the Code.

30. Proceeds of the Loan may be invested at a yield that is materially higher than the yield on the Bonds for a three year period commencing on the Bond Issue Date.

31. The Owner reasonably expects that at least 85% of the proceeds of the Loan will be expended on the Financing Project within three years of the Bond Issue Date.

32. A binding contract to expend in excess of 5% of the proceeds of the Loan has been or within six months of the Bond Issue Date will be entered into with respect to the Financing Project.

33. If not yet completed, the construction and completion of the Financing Project and expenditures of the proceeds of the Loan will proceed with due diligence.

34. No portion of the principal of or interest on the Bonds is guaranteed by the United States or any agency or instrumentality thereof, except as may be permitted by Section 149(b)(3)(C) of the Code.

35. The weighted average maturity of the Bonds does not exceed 120 percent of the average reasonably expected economic life of the facilities being financed by the proceeds thereof. (See **Schedules C and D** attached hereto).

36. The Owner will not sell, encumber or otherwise dispose of any property comprising each Project financed or refinanced by the Loan prior to the final maturity date of the Bonds without a written opinion of Bond Counsel to the effect that any such disposition will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

37. The Owner reasonably expects (i) that 85% of the spendable proceeds of the Loan will be used to carry out the governmental purposes of the Loan within three years of the Bond Issue Date, and (ii) not more than 50% of the proceeds of the Loan will be invested in nonpurpose investments having a substantially guaranteed yield for four (4) years or more.

38. Except as may be permitted by Section 149(b)(3)(C) of the Code, no portion of the proceeds of the Loan will be invested, directly or indirectly, in Federally insured deposits or accounts other than (i) investments of unexpended Loan proceeds for an initial temporary period until the proceeds are needed for such Project, (ii) investment of a "bona fide debt service fund," and (iii) investments in bonds issued by the United States Treasury or pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended.

39. With respect to any amounts received from condemnation, insurance, or disposition of any part of a Project or any other amounts set aside by the Agency, which are pledged to or expected to be used for the payment of debt service on the Bonds, the Owner will either invest such amounts in obligations of a state or of any political subdivision thereof, the interest on which is not included in gross income for purposes of Federal income taxation pursuant to Section 103 of the Code and which is not a preference item for purposes of the alternative minimum tax imposed by Section 55 of the Code; or invest such amounts in obligations having a yield that is not more than the yield on the Bonds.

40. Neither the Owner nor any Related Person shall, pursuant to any arrangement, whether formal or otherwise, purchase the Bonds.

41. The Owner will comply with the provisions of the Code applicable to the Bonds and will not take any action or fail to take any action which would cause the interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

42. Upon the request of the Agency, the Owner will take such action or actions as may be reasonably necessary in the opinion of Bond Counsel, to comply with all provisions of the Act, and all rules, policies, procedures, regulations or other official statements promulgated, proposed or made by the Department of the Treasury under the Code which relate to the maintenance of the exclusion from gross income of interest on the Bonds.

43. In order to comply with the covenants contained herein and in the Regulatory Agreement regarding compliance with the requirements of the Code and the exclusion from Federal income taxation of the interest paid and to be paid on the Bonds, the Owner hereby approves **Schedule D** attached hereto.

44. The procedures set forth in the provisions of this Tax Certificate may be modified as necessary, based on the advice of nationally recognized bond counsel, to comply with such rulings, regulations, legislation or judicial decisions as may be applicable to the Bonds.

To the best knowledge, information and belief of the undersigned, the above statements as to factual matters are true and the expectations are reasonable, and there are no other facts, estimates or circumstances that might materially change such conclusions and expectations.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this ____ day of ____________, 2018.

GLEN HAZEL RAD LLC,
a Pennsylvania limited liability company

By: ARMDC – Glen Hazel RAD, Inc.,
a Pennsylvania corporation,
its managing member

By: ______________________
Caster D. Binion
President & CEO

[PHFA (Glen Hazel) – Borrower Signature page - Borrower Tax Certificate]

SCHEDULE A

Source:	
Bond Proceeds	**$25,650,000**
Use:	
Acquisition	$12,650,000
Construction Costs*	$11,240,338
Cost of Issuance	103,000
Other Charges, Costs, Professional Fees	869,095
Capitalized Interest	$787,567
Total	**$25,650,000**

*Construction costs includes hard construction costs as well as certain soft costs related to construction, such as legal expenses, architect fees, surveys, permits, site assessments, title insurance and other similar costs.

SCHEDULE B

Certificate with Respect to Economic
Life of the Project

The reasonably expected economic life of the Financing Project to be financed with the proceeds of the Loan is determined as follows:

Asset	Life*	Cost (A)	Cost Years (B)
Buildings & Structures	30	$25,650,000	$769,500,000
Totals			

The average maturity (i.e., aggregate of the Asset Cost-Years (B) divided by the Asset Costs (A)) equals 30 years.

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* See attached.

Attachment to Schedule B

(1) Economic Life of an asset is the longer of (a) the reasonably expected economic life of the asset, based on facts and circumstances; or (b) the "midpoint life" of the asset under the Asset Depreciation Range ("ADR") system, as established under Rev. Proc. 87-56, 1987-2 C.B. 647 (as clarified and modified by Rev. Proc. 88-22, 1988-1 C.B. 785), where applicable, or the guideline life for the asset under Rev, Proc. 62-21, 1962-2 C.B. 41 8, in the case of structures. Land shall not be taken into account for purposes of this certificate unless 25 percent or more of the net proceeds of the Loan (including investment earnings) is to be used to finance land. Land taken into account pursuant to the preceding sentence shall be treated as having an economic life of 30 years. Interest during construction financed with proceeds of the Loan (chargeable to capital account with a proper election under Section 266 of the Code) shall be treated as having an economic life equal to that of the asset to which it relates. Any interest subsequent to construction financed with the Loan shall be assigned a zero economic life. Where the amount of the Bonds is less than the cost of the facilities, the assets financed with proceeds of the Loan generally include a pro-rata portion of the assets which may be financed with proceeds of the Loan under the Loan Agreement, unless specific allocations are made to the contrary.

SCHEDULE C

Certificate with Respect to
Weighted Average Maturity of the Bonds

The weighted average maturity of the Bonds is 13.789 years.

SCHEDULE D

PENNSYLVANIA HOUSING FINANCE AGENCY

Post-Issuance Compliance Policy for Special Limited Obligation Multifamily Housing Development Tax-Exempt Obligations

The purpose of this Post-Issuance Tax Compliance Policy is to establish policies and procedures in connection with special limited obligation multifamily housing development tax-exempt bonds, notes or other obligations (collectively, the "Bonds") issued by the Pennsylvania Housing Finance Agency (the "Agency"). The Agency reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Agency also reserves the right to change these policies and procedures from time to time.

General

In as much as the Agency is a responsible conduit issuer authorizing the issuance of Bonds for conduit borrowers (the "Borrowers"), the Agency now identifies post-issuance tax compliance procedures for all Bonds issued by the Agency, as well as the Agency's expectations of all Borrowers concerning these procedures.

Post-Issuance Compliance Requirements

External Advisors / Documentation

1. The Agency and the Borrower shall consult with nationally recognized bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. These requirements and procedures shall be documented in the tax certificate for Section 142 Borrowers (the "Tax Certificate") and/or other documents finalized at or before issuance of the Bonds.

2. The requirements and procedures shall include the following:

- A certification that the Borrower shall submit to the Secretary of the Treasury (at such time, and in such manner as the Secretary shall prescribe) an annual certification as to whether the project for which the Bonds were issued continues to meet the requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"). (A copy of all annual filings shall be sent to the Agency as well.)

- A certification that the Borrower will assist the Agency in all things necessary to comply with the arbitrage requirements of Section 148 of the Code and the rebate requirements imposed by Section 148(f) of the Code with respect to Bonds. (This may require retaining the services, at Borrower's expense, of a computational expert firm or accounting group to complete any necessary rebate analysis.)

- Upon the request of the Agency, the Borrower will take such action or actions as may be reasonably necessary in the opinion of nationally recognized bond counsel, to comply with all provisions of the Code, and all rules, policies, procedures, regulations or other official statements promulgated, proposed or made by the Department of the Treasury under the Code which relate to the maintenance of the exclusion from gross income of interest on the Bonds.

The Borrower also shall consult with nationally recognized bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Bond-financed or refinanced assets.

Unless otherwise provided by an indenture relating to the Bonds, unexpended Bond proceeds shall be held by a trustee, or other independent fiduciary entity and the investment of Bond proceeds shall be managed by the Borrower. The Borrower shall prepare (or cause the trustee or fiscal agent to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Agency.

The Borrower agrees to file all necessary forms with the Secretary of the Treasury and/or the Internal Revenue Service, including but not limited to IRS Form 8703, or any comparable form, evidencing the Project's compliance with applicable low or moderate income limits. In addition, the Borrower agrees to provide the Agency with information necessary to allow the Agency to file a Form 8038 with the Internal Revenue Service not later than February 15, 2019.

Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

It is the Agency's policy that the Borrower shall be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;

- to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with nationally recognized bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary;

- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under "Recordkeeping Requirements"; and

- consulting with nationally recognized bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds.

Recordkeeping Requirement

It is the Agency's policy that the Borrower shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of Bonds;

- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds; and

- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets, including management agreements, agreements with related entities and service providers and other third party vendors.

Borrower will be responsible for producing all copies necessary to fulfill any audit or investigative request throughout the life of the bonds and during the retention period at Borrower's expense and upon reasonable advance notice and request by the Agency. This request may also require production of requisite documents in the time-frame and in accordance with the state's right to know law.

Remedial Actions

In the event that certain of the Bonds become "nonqualified bonds" under the Code and/or the Treasury Regulations, the Agency and the Borrower, in consultation with counsel, will follow the following procedures in accordance with Treasury Regulation 1.141-12. If an action causes an issue to meet the "private business tests" or the "private loan financing test" the action *may or may not be* treated as a "deliberate action"[1] based on the nature of the event that caused the Bonds to become nonqualified.

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[1] A deliberate action is any action taken by the issuer that is within its control. An intent to violate the requirements of section 141 of the Code is not necessary for an action to be deliberate.

In consultation with counsel, the Agency and the Borrower must ***first*** determine if certain conditions discussed in Treasury Regulation 1.141-12 paragraphs (a) (1) through (5) are satisfied. The effect of a remedial action is to cure use of proceeds that causes the private business use test or the private loan financing test to be met.

The Internal Revenue Service (the "Service") has also developed a voluntary closing agreement program for tax-exempt bonds ("TEB VCAP"). Under TEB VCAP, an issuer may request a closing agreement with respect to its bonds to resolve violations of sections 103, 54, 1397E, 1400N and related provisions of the Code.

TEB VCAP is not available when: (a) absent extraordinary circumstances, the violation can be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in regulations or other published guidance; (b) the bond issue is under examination; (c) the tax-exempt status of the bonds or qualified status of tax credit bonds is at issue in any court proceeding or is being considered by the IRS Office of Appeals; or (d) the Service determines that the violation was due to willful neglect.

In the event that the remedial action procedures under Section 1.141-12 are not available to the Agency, the Agency and the Borrower, in consultation with counsel, will explore the options presented under TEB VCAP.

Material Event and Obligated Party Disclosure

If applicable, Borrower may be required to provide notice and appropriate posting to EMMA or other disclosure portals material information in a timely manner relating to the continuing disclosure requirements of Rule 15(c)2(12). Borrower agrees to provide copies of such documents to the Agency and to respond to reasonable requests from the Agency for information confirming compliance from time-to-time.

Agency Additional Notice and Reporting Requirements

The Agency will require all Borrowers to report apartment vacancies, unit characteristics and other data points for the Agency's ongoing data collection efforts. Borrower shall comply with all data requests and reporting requirements.

Conclusion

The Agency and the Borrower have reviewed this Policy and each understands the ongoing duties to monitor compliance as set forth in the Tax Certificate and herein subsequent to the issuance of any Bonds and while any Bonds remains outstanding.

The Borrower, in the Tax Certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed in this Policy and pay all costs and fees associated with compliance with all necessary filings, monitoring and remedial actions necessary to preserve and maintain the tax exemption on the Bonds.