Memorandum

Date: December 1, 2020
To: All Owners and Management Companies of GHFA and/or DCA Funded Multifamily Property
From: DCA Asset Management
Re: Upcoming and New Annual and Quarterly Financial Reporting requirements

DCA is undertaking an initiative to improve financial data collection and monitoring for all properties in DCA’s multifamily rental portfolio. DCA will begin collecting financial data for all properties in the DCA multifamily rental portfolio for review.

The reporting requirements will vary as indicated below, depending on funding source and applicable period, see the summary chart below for details:

<table>
<thead>
<tr>
<th>Reporting Type</th>
<th>Applicable Funding Source(s)</th>
<th>Effective date of reporting</th>
<th>Duration of Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Annual Financial Statements</td>
<td>Properties with a GHFA or DCA loan such as: HOME, NSP, PSHP, TCAP, HTF</td>
<td>May 15, 2021</td>
<td>The latter of the Compliance Period, Affordability Period, or until the DCA/GHFA loan is paid in full</td>
</tr>
<tr>
<td>Quarterly and Annual financial data reporting</td>
<td>LIHTC properties as well as properties with a GHFA or DCA Loan, such as: HOME, NSP, PSHP, TCAP, HTF</td>
<td>May 15, 2021 for properties with a GHFA or DCA Loan November 15, 2021 for properties without a GHFA or DCA Loan</td>
<td>The latter of the Compliance Period, Extended Use Period, Affordability Period, or until the DCA/GHFA loan is paid in full</td>
</tr>
</tbody>
</table>

I. PROPERTY FINANCIAL DATA TO BE COLLECTED VIA DATA ENTRY or SUBMISSION

Annual Financial Data
1. Audited annual financial statements (PDF copy to be uploaded)
2. Data points from Income Statement and Balance Sheet
   a. Property Taxes
   b. Replacement Reserve Balance
   c. Operating Deficit Reserve Balance
   d. Net Operating Income
   e. Per Unit Operating Expenses
   f. Debt Service Coverage Ratio or Cash Flow
   g. Occupancy
   h. Mortgage(s) Balance
3. The due date for audited annual financial statements is May 15th of the subsequent calendar year.

Quarterly Financial Data
1. Unaudited financial data
   a. Physical Occupancy
   b. Gross Potential Income
   c. Vacancy Loss
   d. Concessions
   e. Other Income
   f. Effective Gross Income
   g. Net Operating Income
   h. Operating Expense
   i. Debt Service Coverage Ratio or Cash Flow

2. Due dates for Quarterly financial data reporting are the same for all properties, in the chart below.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – March (Q1)</td>
<td>May 15th</td>
</tr>
<tr>
<td>April – June (Q2)</td>
<td>August 15th</td>
</tr>
<tr>
<td>July – September (Q3)</td>
<td>November 15th</td>
</tr>
<tr>
<td>October – December (Q4)</td>
<td>February 15th</td>
</tr>
</tbody>
</table>

II. DURATION OF QUARTERLY AND ANNUAL FINANCIAL REPORTING REQUIREMENTS

Multifamily LIHTC funded properties with no GHFA or DCA loan
- Annual and Quarterly data submission reporting is required throughout both the Compliance period and Extended use period, years 1-30

Multifamily Properties funded with a GHFA or DCA Loan
- Annual and Quarterly data submissions are required throughout the Affordability period as stipulated in the Land Use Restrictive Agreement (LURA), if applicable through the Compliance Period and/or until the GHFA/DCA loan is paid in full, whichever is later
- Audited Annual Financial Statements are required throughout the Affordability period as stipulated in the Land Use Restrictive Agreement (LURA), throughout the Compliance Period (if also funded with Tax Credits) or until the GHFA/DCA Loan is paid in full, whichever is later

III. IMPORTANT INFORMATION

- DCA will provide reporting and uploading instructions in future communications or Memorandum notices with relevant links and reporting tools.
- This new requirement will be included in the revised Compliance Manual and/or Asset Management Manual applicable for all GHFA/DCA funded property as mentioned in this memorandum.
- DCA will provide separate instruction, as needed, should any additional supporting documentation be required for upload.
- DCA will not accept paper copies of financial statements, all statements must be uploaded, and/or data must be entered manually to DCA’s reporting system.